THE FINANCIAL POST

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GAUGING BUYING POWER OF THIS YEAR'S BIG CROP

Labor Shortage and Low Market Affect Profit

BUYING LOOKED FOR

Should be Big Demand for Farm Implements for Harvesting and for Other Supplies Later

Uncertainty as to price trend and whether the margin between production and marketing costs and amount realized will provide a fair profit on the Canadian grain crops, together with seasonal dullness have combined to offset in a large degree the immediate improvement in trade which might have been anticipated with the assurance of a record crop in Western Canada and satisfactory harvests in the eastern provinces. Sentiment is optimistic but business hesitates. The check which has been noted in the United States, where there has been a tendency to get back to hand-to-mouth ordering, has not been so pronounced in Canada because expansion had not been carried so far, but the same influences are felt. The stock markets reflect the general uncertainty. An adjustment of prices of industrials has lopped off the gains of the past year. The reaction has been perhaps carried too far but the trend in the next few weeks may be taken as a fair guide as to opinion whether buying is to be resumed in the fall or whether further adjustments will be necessary. There is no indication of that over-production which precedes industrial depression.

The labor shortage and the resultant high wages present a serious problem for the farmer and threaten to seriously curtail the benefits of the crop in terms of buying power. The Ontario Department of Agriculture reports that fewer farm laborers than usual are available; scarcity of experienced men is reported in almost every county throughout the province. Some farmers have been able to get along so far by exchanging work with neighbors, but there is a real shortage and the situation will be aggravated as the harvest operations expand.

Many Harvesters Wanted

With a record crop of heavy growth fast ripening, thousands of harvest hands are wanted on the prairies, with the prospect that comparatively few will be available. Ottawa believes that 40 to 50 thousand harvest workers will be wanted in the West with poor prospects that these can be secured through cheap rates on the railways or other inducements which have been employed in the past. The heavy immigration to the United States during the last year has reduced surplus labor available as indicated by the fact that there is already a shortage in Ontario.

Under these circumstances, the decline in wheat prices of over 30 cents a bushel compared with a year ago is a serious matter. Analysis of prices for farm products in terms of goods the farmer wants to buy indicates that the principal crops may be worth less in purchasing power than the crops of any recent year.

Demand for Implements

As to the financing of the crop, reports to THE FINANCIAL POST from the West indicate that provision is being made by the head offices of all the banks for the expected heavy demands, and no difficulty is anticipated. The business will be handled mainly through the country branches, and the cities are more directly interested in the supply and implement trade that the big crop will provide.

A greatly increased demand for binders is certain. One of the agencies at a country point in Central Alberta has orders for a hundred machines, and warning is being given generally that it will be a case of first come first served. Some difficulty is likely to occur in the way of credit for purchases of this kind, and any relief that may be found possible will be on the security of a bumper crop, for most of the farmers are already on the implement companies' books to the full extent of their credit.

Binder twine business is another item that will figure in the crop account this year away beyond last year's totals. Orders are being placed in the ratio of about three to one as compared with 1922. The price on binder twine is a little lower than last year.

VANDERLIP ON OUTLOOK

"The wholesomeness of the business and banking situations in the United States to-day is unprecedented." This is Frank A. Vanderlip's statement to a representative of The Wall Street Journal.

In view of the passage through the House of the bill authorizing the Government to prohibit by order-in-council the export of pulpwood cut on privately owned lands, it is interesting to note that the exports of pulpwood to the United States in May were 113,000 cords, or almost double those of May, 1922.

Police Closing Foreign Schools

Scores of special schools have been started in industrial centres throughout Canada by foreign interests. The teachers are foreigners—in some few cases British converts. In certain districts they have got control of public schools, the teachers in public schools working under their inspiration. Some schools have been so bad the police had to close them, and recently several of them have been raided.

Among the principles being instilled in the children's minds are these: That theft from an employer is not morally wrong, because it is taking what belongs to the people, and is preliminary to the "revolution" which will restore property stolen from the proletariat, but care must be taken at present to avoid being caught; that marriage is a capitalist institution which reserves the most beautiful girls for rich men; that a girl may have as many lovers as she desires; that children belong to the state and are to be put into a state institution at birth and brought up at public expense.

What conditions will be five or ten years from now when these boys and girls go out into the world is not hard to foresee.

WHOSE SUPPLY OF PULP WOOD WILL BE USED?

Canada Can Conserve and Have Paper Made Here

Special Correspondence.

OTTAWA.—Commenting on the proposed Canadian pulpwood embargo, Chairman Stokes at the New York meeting of American paper manufacturers said that the effect would be to "add more than a million cords of wood a year to the drain on our own fast-diminishing pulp wood resources."

This statement disarms anti-embargo propaganda. The fact that our reserves of pulpwood are fast diminishing under the present policy has been pointed out by THE FINANCIAL POST. It has been suggested by some of those interested in the paper trade that Canada might put a graduated export tax on the wood so that the industry might provide funds for replacement.

It has been pointed out that the American government did not treat Canadian agriculture in this fair way. After encouraging Canadians to go extensively into cattle raising for the U. S. market, it suddenly put on a duty which caused a loss of millions to Canadian farmers. With this history, the U. S. cannot find fault if Canada puts a prohibitive duty on pulpwood at once. The feeling among members of parliament at the time the matter was taken up in the Ottawa House was that the export o pulp should also be prohibited, and that it might begin with a gradually increasing export duty.

Retaliation Asked on Pulp Embargo

NEW YORK.—If Secretary Hughes fails to induce Canada to abandon its apparent intention of declaring an embargo on pulpwood Congress will be asked to take retaliatory measures, the executive committee of the new national committee of pulp and paper manufacturers, formed to fight the proposed Canadian embargo decided, after a protracted meeting Sunday. Exactly what these measures were, the statement given out at the close of the meeting did not say.

OUR CATTLE NOW GOING TO ENGLAND

Figures Indicate That Americans Are Not Getting Supply of Feeders

From Our Own Correspondent

OTTAWA.—The contention of the American Farm Bureau Federation that the Fordney tariff is handing the Canadian export cattle trade from the United States to England, as referred to in THE FINANCIAL POST last week is being borne out by the trade returns.

During April and May the number of cattle shipped to the United Kingdom was approximately 10,000, as compared with less than 1,100 for the same months last year. As these two months show the effects of the lifting of the embargo, it is not surprising that the certain American farmers that have been depending on Canadian cattle for feeding purposes, are getting alarmed.

Prices in the Chicago market will, for cattle generally, greatly affect shipments to the other side of the line. In spite of the high duty 5,975 head went across in May as compared with 3,438 in May, 1922. Comparing shipments since the high duty went on with those before that, a great difference is seen. For example, during the eight months ending May, 1920, the shipments were 324,842 head as compared with 112,669 for the nine months ending May of this year.

WEST ASSURED OF BEST CROP IN MANY YEARS

Will be Far Above Average —No Frost Damage

SPLENDID IN ALBERTA

Conditions in Southern Portions of That Province Fulfill Prediction of Being Best Since 1915

From Our Own Correspondent.

WINNIPEG. — The Free Press fourth crop report indicates that, while there has been some damage, more especially from hail, in Saskatchewan and Alberta, the total does not appear heavy as it was generally confined to small areas with only a partial loss in the majority of cases. The general verdict of the Free Press crop correspondents would appear to be that the outlook, insofar as the wheat, oats and barley crops are concerned, is the best since 1915, while the rye crop generally is fair, though somewhat disappointing in many districts. The coarse grains are reported to be a little late, due to frequent rains in many districts, while in others oats and barley are reported to be heading out.

With an odd exception, it is undoubtedly true that practically the whole of the West has now received sufficient moisture to carry the crops to maturity, and in a few districts there has been an excess of moisture which has caused a slight damage to grains, especially on low lands.

Contrary to many reports, the damage from black rust at this date is almost nil. Several districts report slight rust, but it does not seem to have reached beyond the leaf, and is not developing, or very slowly.

There has not been the slightest damage from frost at any point in the West.

In summing up the general situation, it would appear that the excellent crop promise throughout the season has been maintained during the past three weeks, and with favorable weather from this on, the West will be assured of a bountiful crop, far above the average.

ALBERTA BEST SINCE 1915

Growth Late But General Outlook Is Splendid

By E. Cora Hind,
Commercial Editor, Manitoba Free Press

CALGARY.—Having made a motor trip of 660 miles in the territory south of the main line of the C. P. R. in Alberta, it is good to be able to say, "the best since 1915." This does not mean that there is no danger to the standing crop from hail or hoppers, but it does mean that over an

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RUMOR SAYS NICKEL MINES MAY MERGE

There is a report going the rounds that the International Nickel, Mond Nickel and British American Nickel are to amalgamate into one giant organization. Such a move would place the nickel production of the world practically in the hands of one organization, for Sudbury's three companies have now what is practically a world monopoly.

The reasoning which one hears associated with the rumor is not without some logic. This is nothing more or less than that the amalgamation would wipe out the present competition. The three big concerns are now competing in the world's market which provides a limited call for nickel. The big problem is to develop new uses to absorb the excessive production. Gradually new uses have been coming to the front, but it is stated that these new uses have only been employed since a material cut in the price of nickel has been made.

Over $2,000,000 Cut Off Assets of the Great West Permanent

The Abstract of Statements of Loan and Trust Companies in Canada for 1922, issued by G. D. Finlayson, Federal Superintendent of Insurance, shows such further adjustments by the Department in the finances of the Great West Permanent Loan Company that a situation has now arisen where the shareholders should not only do something in their own interests but for the protection of the depositors and the debenture holders. Should the impairment of resources be continued as during recent years—as indicated by the adjustments made by the Department—action by the government on behalf of the depositors and debenture holders may be expected; in fact it is a question if that time is not close at hand.

The statement of the company's affairs at the end of 1922 as sent to the shareholders shows reserves and surplus totalling $1,117,494, but the report of Mr. Finlayson changes this to a deficit of $1,032,552. This cuts very largely into the paid-up capital of something over $2,400,000. Further, it is regarded as questionable if other extensive adjustments in value would not have to be made in the event of quick realization.

A review of the company's affairs shows adjustments in the company's statement by Superintendent Finlayson commencing with the 1920 report. At that time assets were reduced in value by $349,340 from the company's figures and a reserve of $700,000 was set up. This reduced the surplus and reserves shown by the company from $1,102,863 to $53,523.

At the end of the next year the deductions from the company's assets as set down were increased to over $600,000 as the appraisal of properties was extended and in addition a deposit of over $200,000 with an associated trust company was disallowed because this money, it was indicated, had been used through a third company for the completion of the hotel property in which the company is heavily interested.

The latest report increases the deductions to $1,350,046 and increases the reserve appropriation to $800,000, a total adjustment of $2,150,046, which wipes out the surplus shown in the company's report and leaves a deficit of $1,032,552.

Following is a summary of the figures for three years, showing the changes in the company's report made by the Department:

	1920	1921	1922
Assets shown by company's books	$6,184,420	$6,242,869	$6,860,461
Deduct for mkt. val. of real estate, bonds, etc.	349,340	823,866	1,350,046
Assets reduced to	5,835,080	5,419,003	5,510,415
Reserve against mortgages by Department	700,000	700,000	800,000
Deducted from assets as above by Department	349,349	823,866	1,350,046
Total adjustment made by Department	1,049,340	1,523,866	2,150,046
Reserves and surplus shown by company ..	1,102,863	1,111,180	1,117,494
Deficit shown by Department	*53,523	412,685	1,032,552

*Surplus.

Grain-Growing Fundamentals In the West Need Adjusting

Profitable Wheat Production on Big Scale Necessitates Lower Costs as Well as Efficient Handling—Mixed Farming Would Help

Special Correspondence.

REGINA.—Since the collapse of efforts for a wheat board of the compulsory type, made by the premiers of Saskatchewan and Alberta, the United Farmers of Manitoba and Alberta, and an unofficial agrarian organization in Saskatchewan, have been fussing with the problem of marketing. Though no definite results have, as yet, been achieved by any of the three organizations involved, a brief review of activities in this connection, as concerns the West, is not entirely irrelevant at this time with the crop season drawing rapidly near the harvesting stage.

In Alberta, the U.F.A. has decided that, while formation of a voluntary pool to handle the present season's crop is most desirable, it is too late in the year for such a move.

In Manitoba, the U.F.M. has gone on record as in favor of immediate organization of a voluntary wheat pool. The Canadian Council of Agriculture endorses this, expressing the opinion, however, that organization this year can only form a nucleus for the future, as it is too late to bring a pool into practical use for the 1923 crop.

In Saskatchewan, since Premier Dunning announced collapse of compulsory plans, the Saskatchewan Farm Union (a mushroom organization) has decided to make every effort to make a voluntary wheat pool effective for the present year, and has wired other farmers' organizations in Canada for co-operation in such plans.

All of this tends to show that with prospects for a compulsory marketing organization dissipated, those who are ambitious to direct and control farmers and the farming industry have taken hold of the voluntary idea with whole-souled vigor.

A Serious Outlook

One might dwell upon the strange inconsistency of would-be grain marketing monopolists in this regard. It will be remembered that at the time of the last federal election Sir Arthur Meighen boldly advocated a voluntary marketing plan for grain. His opinions were held up to ridicule by both Liberals and Progressives in the West.

One need only superficially examine marketing conditions as regards grain to realize that right in this present year, when a bountiful harvest appears a certainty, there exists a sinister menace to the welfare of the grain-growing industry.

Conditions, or a series of conditions, have created a marketing situation which is anything but satisfactory to contemplate. In the opinion of high authorities in the grain business, with whom THE FINANCIAL POST has conversed, the most serious factors in need of consideration are:

A Five-Fold Problem

1. Probable high cost of harvesting this year's crop.
2. Practical certainty of low prevailing prices for wheat.
3. Uncertainty with which existing systems of marketing are re-

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THE RIGHT SETTLERS WILL GO TO FARMS

Much Depends upon the Conditions They Have Known in the Old Land

NEW YORK.—Announcement in the New York press that many of the immigrants now entering the United States are making hasty departure for the farm and cities of the Northwest renews interest in the question as to sections of the country which are to receive the greatly diminished supply of immigrants now being admitted to the country. The records of the movements of the new arrivals indicate that former occupation and climatic conditions still control the immigrant in determining his future abiding place in the United States.

This is particularly noticeable in the movements of the new arrivals from northern Europe, a large percentage of the Scandinavian arrivals in the opening month of the new fiscal year having already departed for the Upper Mississippi Valley, notably the farms and cities of Minnesota, the Dakotas, Wisconsin and Illinois. With those from the countries of central and southern Europe the opportunities in the factories and mines of the North Atlantic frontage are more attractive and the bulk of the small additions to our population made under the law which limits the number of each nationality permitted to enter will find homes in the area bounded by the Potomac and Ohio on the South and Rocky Mountains on the West.

Make Our Resources Safe

Three times has the development of Northern Ontario been retarded by fires—Porcupine in 1911, Matheson in 1916 and Haileybury only last fall. The losses were in life and property. They have not daunted the pioneer spirit of the northern men and to-day Northern Ontario is beginning to come into its own. But to make sure that fire disasters may not again consume, putting further burden on the people who are making this too little known part of Ontario, a realization of the need of more extensive fire protection than has ever yet been given is necessary. The new Ontario government seems mindful of the North. It is well. It will be well also if the Minister of Mines, of Forests, and the new under secretary for Northern Ontario all give immediate attention to this question of fire prevention.

To reduce fire losses fires must be prevented or stopped in their infancy. "Only the Lord can stop a forest fire once it gets well started," said a forestry man speaking in all reverence. "Only rain and a change of wind can check it." This summer and late spring there has been plenty of rain. That means much to the North. It means water-power which makes the electricity required in ever increasing quantities by paper mills and mines. It means present safety from fire. Yet there is no safety in delay. The adequate fire protection should be given now.

Some $600,000 are spent yearly by the Ontario government in fire prevention, and now the government is getting from timber dues and ground rents alone some $3,500,000—from the mines at least an additional $300,000. To protect this large and rapidly growing revenue is of importance; but there is more than this which makes necessary the utmost in fire protection. Huge industries in pulp and in mines are already built up in Northern Ontario employing thousands of workers. Towns that will be cities are there. Capital is invested and more capital must be secured that the full development of which this district is capable may be achieved. Adequate fire protection will give that confidence which makes development easy.

What is needed, those on the spot say, is first a realization on the part of the rest of the people in the district of the great danger of fire—danger to

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AMERICANS WOULD PUT $200,000,000 ON ST. LAWRENCE

Private Interests Ready to Put up $200,000,000 for Work

COL. COOPER'S PLANS

But Before Any Work Can go Ahead Governments Concerned Must Work Out Their Policies

From Our Own Correspondent

MONTREAL.—Private capital is ready to develop the St. Lawrence River for its power possibilities and the definite projects for the harnessing of the mighty river's flow that private companies are now presenting cannot be ignored by the United States and Canadian governments. In this country at least the question of formulating a federal policy with regard to the St. Lawrence power is rapidly reaching the stage where Ottawa must be prepared to outline its policy if the utilization of this national resource is not to be too long deferred and investors discouraged.

Some time ago THE FINANCIAL POST described the plans of the New York and Ontario Power Company for the development of power on the St. Lawrence. Now Col. Hugh L. Cooper, representing one of the strongest groups of industrial corporations in the United States, has announced what his associates are ready to do. But all these plans are contingent upon the approval of both the American and the Canadian governments. Involved is the question of the St. Lawrence navigation as well as the development of St. Lawrence Power. From Canada's standpoint there is involved the question of the export of power, for any plan of development must allow the fact that Canada will control most of the power of the river. The power can be developed without making provision for deep water navigation or it can be developed with a provision for a 30-foot channel. But until there is some decision in the matter of navigation of the St. Lawrence by the two governments, the final project on either basis cannot be worked out.

Gigantic Corporation

The question seems to be one for early study and decision, first, if the development is not to be retarded and, second, if the interests of the United States and Canada are to be considered. The project of Col. Hugh L. Cooper is presented on behalf of the Frontier Corporation. This company is controlled by the

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Yields Far Above the Average are Predicted

The following summary, from the crop bulletin of the Canadian Bank of Commerce, shows the relatively high yields for all crops compared with the ten-year average anticipated in Western Canada this year:

	Manitoba — 10-year Average	1923	Saskatchewan 10-year Average	1923
Wheat . .	17	22	17	25
Oats	35	42	35	49
Barley . .	25	30	24	31
Flax	9	10	8	11
Rye	17	19	19	22

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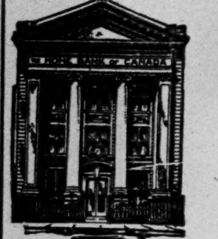
A General Banking and Foreign Exchange Business Transacted.



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INFLATION FEAR IS FOLLOWED BY CAUTIOUS SPIRIT

American Business is Trying to Avoid Past Mistakes

LOOKING FORWARD

Results of the Harvests Likely to Have a Direct Bearing on Orders for Autumn Business

Special Correspondence.

NEW YORK.—The belief that excessive caution is now curtailing prosperity has supplanted in some quarters the earlier fear that general inflation of prices and bank credit was developing, to be followed in due time by the familiar liquidation and depression which boom activity has usually induced, states the current issue of the Guaranty Survey, published by the Guaranty Trust Company of New York. The relaxation in forward buying of important classes of commodities in recent weeks, the halt in expansion of bank loans, and recessions in prices have been cited as reasons for the present anxiety.

These developments, however, have apparently established a better basis for continued prosperity than would have resulted from an uninterrupted increase in prices such as characterized the first quarter of the year, the Survey says further. They have demonstrated the strength of influences making for even progress, as contrasted with those which lead to extremes of activity and depression. Undoubtedly repeated warnings, and reminders of the losses sustained in 1920 and 1921, when drastic deflation was under way, have been important factors in preserving an intelligently cautious attitude on the part of bankers and business men generally.

Conditions of Continued Activity

How fully the possibility of maintaining active business in coming months will be realized, in the face of expected seasonal slackening in some lines, will depend largely upon the developing prospects of the harvests. The extent to which competitive bidding up of wages continues will also be a factor.

The disparities in prices which affect adversely the buying power of important sections of the agricultural population and the uncertainties of he European situation are not new phenomena. These may constitute no greater obstacles to continued prosperity than they have been for many months; and in the absence of marked crop failures, seasonal purchases in the fall, even without higher prices for farm products, should help materially in sustaining generally active business in the latter half of the year.

The progress of the railroads in reconditioning and increasing their equipment since the beginning of the year, while maintaining a record movement of freight, is a gratifying factor in the business outlook.

Inventories Replenished

Heretofore production as a whole has exceeded current consumption, while inventories were being replenished. The fact that stocks of commodities in most cases are now apparently adequate for the current requirements of trade eliminates an extraordinary stimulus to expanding production. A further general expansion of production may be expected only in the event of increased domestic consumption or a growth in the export trade, in the absence of a disposition to speculate for a rise in commodity prices. This is a condition making for more stable, even if less intense, business activity.

It is not safe to assume, however, that every unfavorable element in the industrial and financial situation has been eliminated. Ample bank reserves and easy money rates would still invite inflation, in the absence of restraining influences. And there are many who believe that prosperity is chiefly dependent upon cheap money and rising prices.

The recent demonstration of the fact that the fortunes of business are the reflection of human behavior, rather than the results of blind forces which drive men involuntarily into alternating conditions of prosperity and depression, is not unprecedented. Men have learned and forgotten before. Failure to maintain the discriminating conservatism which is now a wholesome influence upon business and banking policies would remove the strongest existing support of sound economic progress.

Not Good Business to Speculate in Exchange

When making purchases abroad it is usually necessary, of course, to buy foreign exchange to pay for the goods which are being imported. Exchange on most any country is fluctuating daily and oftentimes varies considerably even in the course of a day.

When a buyer purchases goods abroad, he supposes that the goods are costing him a price based on the exchange rate at the time. He buys the goods expecting to make a satisfactory profit when paying this price for them. If a man tries to make additional profits by using the funds of his company to speculate in foreign exchange, he is getting out of his field. He should clearly keep in mind that he is not trying to make profits from legitimate business, but from speculation. An importer or exporter in order to eliminate the chances of possible loss through a change in foreign exchange must settle exchange at the time a transaction is made.

Conservative houses, when they make purchases abroad, immediately buy foreign exchange, either for immediate or future delivery, and thus insure themselves of their margin of profit. By so doing the profits which are anticipated may be realized, whereas, by waiting until a later date before making a settlement of exchange, often, due to fluctuations in the meantime, the profits, or a considerable part of them, are entirely wiped out. Speculating in exchange is not the legitimate function of a business man. That should be left to the speculator who is able and willing to take losses when they are incurred.

Prince Rupert claims the world's best record for a one trip fish catch. A fishing schooner arrived at this port recently after being at sea fourteen and a half days, with 38,000 pounds of halibut, which sold for a sum that netted each man of the crew of five $727.80.

The Company Store a Cause of Friction in Mine Towns

In Theory it Should Solve a Cost-of-Living Problem But Experience Shows that a Great Deal of Domestic Trouble is Constantly Being Created

By A. B. BARKER.

In an attempt to give a summary of conditions in Sydney and the surrounding district, where the steel workers and miners are now on strike, a recent observer lists on the credit side of the owners the company's stores established by them for the use of the men and their families. He should have listed these institutions on the other side, as the men look on them as a curse instead of a blessing. These store in Canada are, as a rule, confined to the coal mining districts in Nova Scotia and British Columbia, and in every strike in these sections the system has been viciously attacked by the labor advocates. Theoretically a splendid case can be made out for these institutions. Having command of more capital than the ordinary trader they can buy to better advantage and are, therefore able to undersell the small stores. Their customers benefit through lower prices for their purchases, but, as in the smaller places, they kill competition, the men are forced to deal with them whether they like it or not. They have no choice.

Wholesale dealers in the big centres naturally prefer to sell to these stores rather than to the smaller dealers, as they buy in larger quantities and payment is sure, but retailers in the district hate them like poison, and this partly explains why, when a strike occurs, the sympathy of the townspeople so often is with the men.

Mine Managers Know

Mine managers are not usually in favor of these stores. Managers want production, and this depends very largely on keeping the goodwill of their men. These stores are a constant source of friction, and for this reason most managers think the companies would be better off without them.

The chief advocates of the system are those officials of the companies who do not come into direct contact with the men, the presidents, and directors of the corporations, who look more to the profits than to the details of operation. These gentlemen point out the undeniable benefits the men receive from the lower prices charged for the goods they require, and the convenience of the system. These are the public reasons. In private they frankly admit that through the stores they have a hold over the men if they want to use it. Also, of course, the profits are attractive. The turnover is good, and there is not much chance of losses through bad debts, the manager of the store having access to the company's pay records, and is in a position therefore to know accurately the amount of credit it is safe to extend. All this is realized by the men, and the possibility of interference is resented. It is not suggested that many of these establishments are not honestly run, or that advantage is taken of the absence of competition to make unfair profits, but the power is there, the temptation is sometimes hard to resist. The manager of the store must return profits in order to hold his job, and owners are not inclined to listen to complaints against an employee whose activities are profitable to them. They would not be human if they were.

In Railway History

In the old days of railway construction the actual work was done by subcontractors. These men would be given contracts to build small sections, and the prices were usually shaded so closely that there would be little profit in the job unless the contractor had luck. He could however always count on making a profit on his boarding camp, as a flat rate was charged his men and board was the first charge against their monthly pay checks. Boarding the men was a merchandising proposition, and like all such ventures required adequate turnover. The more men he had on his payroll then the greater the profit on their board. If a contractor had work for only a hundred men a favorite scheme was to try to keep double that number on the payroll and arrange the work so that each got three days work a week. The contractor thus would pay each man for three day's work and charge for seven days' board. In this way his actual outlay of cash was reduced to a minimum, and it was easier to finance with the help of the profit from the camp.

In the mining districts of Pennsylvania it is said that this system has been very thoroughly developed in the company stores there, the men and their families being forced to trade in these establishments in order to hold their jobs in the mines. The heads of the mining companies no doubt have nothing to do with the details. They simply put their capital into the store scheme, instal a manager, who must show returns, and nature will do the rest.

As a merchandising scheme it must have turnover, and if the manager finds some of the men trading elsewhere a word to a friend among the foremen and the man is laid off. The next man hired will be a customer of the store. It is even said that this system is partly responsible for the surplus of anthracite miners in those sections. The seasonal nature of the work, great activity for a few months, and slack work for the rest of the year, is, of course, chiefly responsible, but the necessity of having customers for the company stores no doubt aggravates conditions.

Mine boarding houses are also a source of friction, and for this reason if a mine is near a settlement the managers prefer to have their men live away from the mine. If there is more than one mine working this makes for esprit de corps among the men, strange to say. In the ordinary course of work under ground there are often disputes between the men, and if when these men are off shift they are forced to live in the same bunk house, and eat at the same table, a trivial dispute often becomes a serious difference, which can be settled only by discharging both men. If on the other hand they live in town they get a chance to forget it, the shadow of the company is not on them all the time. In the old days, when the saloons were going, there were always a lot of rows, and the men of one mine always stuck together when it came to a showdown, and two men are not apt to remember a grudge when they have fought side by side, against a common enemy.

Opportunity for Graft

Graft among foremen is also a fruitful cause of trouble. In the west, some years ago, there was a strike in which the men were beaten badly. They had, however, no hard feelings for the mine manager, as they admitted he had fought a fair, clean fight, had told exactly what he intended to do, and when the struggle was over, had so far as their personal relations were concerned, forgotten that any man had ever been on strike. Some months after the settlement he noticed a growing dissatisfaction, and after a careful investigation found that several of his foremen were getting commissions from a boarding house and a store for any of their gangs who were living or trading with these people. Naturally they kept in their gangs only the men who brought them in a profit. The manager discharged the profiteering foremen and arranged that in future the hiring and firing of men was outside the foremen's authority. This stopped the trouble.

In business life, as in our other relations, it is not the big disputes that cause the difficulties. These are capable of adjustment, because the problems can be clearly defined. It is the little differences, trifling in themselves, which really do the damage. These produce a constant irritation, and when this has gone far enough a reason for a rupture is not hard to find.

One writer has stated that the cause of practically every strike narrows down on investigation to a dispute between a foreman and one man and there is enough truth in this to make one "furiously to think" as the French say.

ELEVENTH HOUR EFFORT TO FORM NEW WHEAT POOL

Latest Western Organization Ask Advice of Sapiro

From Our Own Correspondent

REGINA.—The Farmers' Union of Canada, the latest fashion in farmers' organizations in Western Canada, is endeavoring, according to I. H. Haslam, the president of the executive committee, to get Aaron Sapiro to come and organize a voluntary contract grain pool. Mr. Haslam says that there is assurance that if the effort succeeds, the western farmers will have co-operation of the various pools in the United States and Australia. They will not under-sell Canadian farmers if a price of $1.50 per bushel for wheat is fixed at the seaboard.

It is, of course, an eleventh hour effort to organize a pool at this time, but the enthusiasts say it can be done. They argue that if there is not something of the kind the proportions of the crop are such that there will be 60 cent wheat before the harvest is over.

In Alberta Too

EDMONTON.—With the Wheat Board killed and even the voluntary wheat pool postponed for another year, the Alberta Government is still looking toward something in the way of co-operative marketing as a solution of the farmers' difficulties. The question has been under consideration for some time past by a committee of the cabinet, and two members of that committee, Attorney General Brownlee and Hon. R. G. Reid, Minister of Municipal Affairs, have now gone on a tour of investigation in the American coast states.

The various co-operative marketing schemes in Washington, Oregon, and California, by which some of the farm products, notably fruit and tobacco, are disposed of, with considerable success, are to be studied, and the ministers will also interview Aaron Sapiro, the marketing expert in San Francisco. It is proposed to introduce some legislation along these lines in Alberta next year.

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BRITISH UNEMPLOYMENT

The number of unemployed persons in Great Britain decreased by 232,348, or about 16 per cent. in the first five months of the present year, according to official figures of the British Ministry of Labor. The total number of unemployed on May 21 was 1,261,688, compared to 1,493,036 on January 22, and 1,598,888 on May 22, 1922.

EXPERIENCES WITH HEBRIDEANS HAVE TAUGHT LESSONS

They Were Not Told Actual Conditions They Would Face

NOW ARE CONTENTED

The Families Have Been Sent For and Group is Getting Down to Hard Pan

From Our Own Correspondent

MONTREAL.—The statement of the Department of Immigration at Ottawa that the forty families of Hebrideans, who were brought to Canada and placed on farms in Alberta, are now satisfactorily and happily settled, draws the curtain on this episode. Canada has had a great deal of unpleasant advertising out of the settlement of these immigrants because their complaints were widely circulated, it is stated, in the British Isles. It only remains now to see that the present state of affairs of these immigrants is told just as widely. That they are now satisfied and happy is seen by the fact that all of them have sent home for their families to come out.

This group of immigrants was brought to Canada this year by the joint efforts of the Canadian Pacific Railway and the government acting with the Canadian National Railway. The Soldier Settlement Board undertook to distribute and locate them. On their arrival in Canada they were given a welcome worthy of princes or potentates. They were wined and dined at many points and a charivari was staged in Winnipeg for their benefit. This was much like the flanflare that greets a soldier on his enlistment. It gives him no indication of the hard work that is to come. When the settlers finally reached their farms and had to get down to hard pan the reaction was very unsatisfactory.

Could Not Put Them Together

In the first place it was found impossible to settle these Hebrideans in a colony. They are a clanish people of peculiar psychology and had hoped to settle together and live a colony life. But agricultural conditions in the west will not permit this. It is not possible to find a large group of good farms together without great expense, and it was necessary to scatter them at various points near Calgary and Edmonton. Nevertheless, all are in fairly close communication with each other. The forty families can for most practical purposes enjoy the social fruits of community life. The settlers now realize this although at first their disappointment was keen.

The reports of discontent and distress emanating from the West induced W. J. Black, Deputy Minister of Immigration and Colonization, to make a personal visit to this section. He has returned and states that settlement of these people has been accomplished in a manner most satisfactory to them. He says that the Hebrideans now realize what has been done for them while not exactly what they had expected, was for their own and the general good. It is now believed by immigration authorities that the Rev. Father McDonnell, who is responsible for conducting these people to Canada, and the Soldier Settlement Board, have achieved a "notable piece of work in Canadian land settlement."

Perhaps there is a lesson in this adventure that will not be lost upon those responsible for immigration to Canada. It is likely that in the future settlers will be given a more exhaustive account of the actual conditions that will face them; will be made to realize that they are coming here to pioneer and that while they will be welcomed on their arrival the welcome will be tempered with discretion. And if the lessons of this experiment are followed, groups of settlers will be given more supervision to the end of adjusting them to new conditions they fail in attempting to make a success of farming in Canada.

OPPORTUNITY TO MARKET PIT PROPS

Can be Shipped on Favorable Basis in Vessels Bringing Welsh Coal to Canada

OTTAWA.—That Canadian exporters should avail themselves of the opportunity of sending Canadian pit props to South Wales as return cargo for vessels carrying Wales anthracite to Canada, is suggested by acting trade commissioner Douglas S. Cole, Bristol.

The difficulties of shipping pit props to a highly competitive South Wales mining area are well known. Canada has not been able to compete profitably with wood from Scandinavia, the Bay of Biscay, Newfoundland, South Western France, Spanish, Portugese, and the Baltic, largely owing to high ocean freight rates.

Mr. Cole suggests now, however, that with Welsh coal being exported to Canada, pit props and pit wood could be sent as return cargo. Exporters are prepared to receive quotations f.o.b. Montreal and Quebec on pit props of good straight larch or fir, cutting sizes of 6¼, 9, 11 and 13 foot lengths, with the diameter at the small end ranging about 3 inches in the smaller props to about 7 inches in the longest. If Canadian wood is to compete the price must not exceed about $6.50 per ton f.o.b. at either of these ports. Quotations from interested Canadian exporters if forwarded to the trade commissioner at Bristol, will be submitted to the Welsh trade.

Canada's Holdings of Steel Common Decline

NEW YORK.—Holdings of the common stock of the United States Steel Corporation totalled 29,935 shares at the end of June, 1922; on June 30, 1923, Canadian holdings totalled only 22,948 shares.

On June 30, 1922, 166,712 shares of Steel common held in England. On June 30, 1923, the English holdings had dropped to 105,123 shares.

Tabulated important foreign holdings were as follows:

	June 30 1923	Mar. 29 1923	Dec. 31 1922	June 30 1922
England .	105,123	136,850	160,876	166,712
Holland .	50,765	50,757	48,827	49,365
Canada ..	22,948	23,965	24,948	29,935
France . .	11,404	11,489	10,499	10,201
W. Indies	3,708	3,342	3,367	3,608
Belgium .	2,278	2,216	2,214	2,216
Switz'land	2,214	2,192	1,980	2,030
Austria ..	2,123	2,131	2,462	3,956
Germany .	1,252	1,301	1,281	1,621

Imports into the United States during June were valued at $328,000,000 against exports of $329,000,000, leaving a balance of trade favoring the United States of $1,000,000.

Quebec's Power Development Due to Private Initiative

Poicy of the Province is Directly Different from the Public Ownership Plan of Hydro-Electric Development in Ontario and Provides Cheaper Power

From Our Own Correspondent.

MONTREAL.—In the gigantic power developments under way in this province at the present time Quebec is reaping the benefits of its broad and efficient policy of power development. Water power development by private capital, without monopolies and without alienation of any water power site for all time is the policy that has been pursued. As a result Quebec still owns its water powers in the name of the people, but private initiative and private capital have been used to actually harness these sources of energy under leases; leases that are drawn to provide an excellent yearly revenue for the province.

Quebec by encouraging private initiative in the development of water powers has been able to produce some of the cheapest water power in Canada. The hydro-electric progress of the Province of Quebec has been in every sense a vindication of private development. The interesting sight of the two great provinces of Canada proceeding with hydro-electric development under directly different policies has provided a lesson in the comparative benefits of public and private ownership. Judged entirely on the basis of actual results to-day the private development of water power in Quebec under government control which has effectively curbed any suggestion of monopolistic dangers, has proven itself much more efficient than the public ownership development as experienced in the Province of Ontario. This has been proven in the capital cost of power produced.

Little "P.O." in "P.Q."

Ontario has to date developed 1,018,853 h.p. in central stations. Central stations are power plants that sell power for general distribution as distinct from power stations that are immediately attached to pulp and paper mills or other manufacturing plants. Of the million odd horse power developed in Ontario, 526,828 h.p. has been developed in publicly-owned power stations and 492,025 h.p. in stations that are privately owned.

In the Province of Quebec 761,480 h.p. has been developed and of this total 743,855 h.p. has been developed in privately owned commercial stations. Only 17,625 h.p. is under public ownership. Quebec is now proceeding with many gigantic power developments and it is quite possible that the province, will in the course of a few years, exceed Ontario in total developed water powers. Such projects as the St. Maurice power plant, the new Hemmings Falls development of the Southern Canada Power, the Grand Decharges development of the Quebec Development Corporation, and similar projects that are actually under way are bringing the Quebec total to a high point.

Some Comparative Figures

It is always a bit dangerous to deal with comparative figures especially as statistics are often far from accurately comparable. But with all allowances for this fact, it is possible to provide figures to indicate that the private development of water power in the Province of Quebec is actually saving power consumers money in the cost of their power. In other words, despite the alleged benefits of public ownership the additional care and accuracy in private development and the benefits of management by experienced engineers who are responsible not to politicians, but to trained boards of directors and shareholders, work in such a way as to provide power at less cost than public ownership can produce it.

It has been estimated that the capital cost of the Chippewa Power development of the Ontario Hydro-Electric Commission will be in the neighborhood of $260 per horse power. On the American side of the river a power project is going in at a cost of $50 per horse power. So much for comparative costs right on the ground. In Quebec the largest power development is that of the Shawinigan Water & Power Company. This development has a funded debt of less than $55 per developed horse power, while the total capitalization, including the capital stock, is only $115 per horse power. This counts only the horse power actually developed by the Shawinigan Company itself and not the horse power purchased. And Shawinigan Water and Power has an expensive transmission line system. In fact, the total bond interest and dividends paid during 1922 by Shawinigan Water & Power represented at the maximum of $13 per horse power on the development. This is interest on the power distributed during that year. This compares with at least $15 a year per horse power that the interest charges alone on the Chippewa development will amount to.

This big power company has been able to develop its power and finance construction at such a price that it can pay a very generous dividend to its stock holders and still pay out less in annual capital charges per horse power than the private development in Ontario.

Other Similar Stories Told

Similar stories can be told about other power developments in the Province of Quebec. The Laurentian Power Company, for instance, has a funded debt per horse power of $78 and a total capitalization per horse power of a little over $200. The Laurentide Power Company has a funded debt per horse power of $54 and a capitalization per horse power of about $118. The St. Maurice Power Company has a funded debt of only $82 per horse power. The actual capital cost of these constructions is perhaps slightly larger in each case than the funded debt per horse power.

It is this greater efficiency in construction that makes it possible for the private companise to pay taxes and dividends and at the same time under-sell the publicly owned corporation. It explains why power supplied the people of Quebec costs them 27 per cent. less per k.w.h., than power supplied to consumers in the Ontario Hydro-Electric system area.

Under its policy of water power development the Province of Quebec obtains the substantial revenue from the private companies to pay taxes leases. Since 1884 no water powers have been alienated to the complete ownership of any individual. The province retains ownership of every water power. The present plan of hydro development by private contracts came into effect in 1909. Water power sites in the province are leased for a certain term of years at a certain rental. Leases are usually for a long term, often 99 years. Thus the lessee, so long as he fulfills the obligations of his contract, is the practical owner of the property. At the end of the time specified in the lease the water power site and all the plants, buildings, plant, etc., revert to the province and become provincial property unless the lease is renewed for a further term of years. By this plan the government is sure that the rights of the people will always be respected and that control of the natural resources will not get into foreign hands for all time.

Now Collecting Export Tax

On leases now being made the province stipulates that a tax of 50 cents per horse power shall be paid the province each year for all electrical energy exported. This tax has been imposed on only one company so far. When the Northern Canada Power Company took over the development of a site on the Quinze River they agreed to this stipulation in their lease and as a large part of the power will be exported to mines in Northern Ontario, this adds still further to the provincial revenue. At the present time about $300,000 a year is obtained from the companies by the province, although the total in 1914 was under $30,000.

The policy of the government may be summed up in a few words. In the first place no water power site is sold outright to any individual. The province retains complete ownership for all time. In the second place every water power development is made to return a revenue to the province in rentals, etc., arranged on an ascending scale. Thirdly, private initiative is encouraged to take up these water power leases. The province has no intention whatever of going into the business of developing water power under public ownership for its experience has proven that the present system not only returns a revenue to the province, but provides cheap power for manufacturers. And finally in order that the power may be used for the building up of industry in Quebec or in lieu of that that additional revenue shall accrue to the province an export tax is placed on the power sold outside of the province.

Power Developments Under Way in Quebec

	H.P.
Hull Electric Company	100,000
Ottawa and Hull Power	30,000
Montreal Light, Heat & Power, additional	45,200
St. Maurice Power Co.	125,000
Southern Canada Power Co. ..	30,000
Quebec Development Co.	350,000
Lower St. Lawrence Power ...	3,700

Other Important Plants Now in Operation

	H.P.
Shawinigan Water & Power Co.	235,000
Laurentide Power	160,000
Montreal Light, Heat & Power—	
At Cedar Rapids	229,200
At Soulanges	15,000
At Lachine	13,000
At Chambly	31,000
Quebec-New England Hydro ..	21,000
Ottawa and Hull Power	30,000
Southern Canada Power	6,700
Quebec Railway..	6,000
Laurentian Power	20,000

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A dividend at the rate of three and one-half per cent. (3½%) for the three months ending 31st July, 1923, has been declared payable on the 1st of August, 1923, to shareholders of record as at the 18th of July, 1923.

By Order of the Board,
C. H. EASSON,
General Manager.

Toronto, June 13th, 1923.

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A large number of British officers and men of other ranks in India and also civil servants, who have been demobilized in that country, will come to Canada to reside, according to Col. Robert Innes, director of agriculture, department of soldiers' civil re-establishment. At least 40 ex-officers will arrive this summer, a further 100 will follow next spring and others later.

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GAINS IN MARKET LIST OUT-DISTANCE LOSSES OF WEEK

Toronto List Was Narrow and Inactive Mines Are Better

SEE BETTER PROSPECTS

Decline in Speculation Issue has Brought Montreal Average Well Below 1922 Low — Await Favorable News

The general tone of the market during the past week has been better. Trading was by no means large in volume at any time, the trading generally following fairly narrow channels.

The table below shows quite a change over the previous week, when losses predominated. This week found losses in last place as to total, the number of issues unchanged taking the lead with gains ranking second. The pulp and paper group came back well, as did also the utilities. The striking feature of the week's changes was the rather violent changes in some of the leading bank stocks and for no apparent reason. Two banks dropped 3½ and 4½ respectively while two others made gains of 2½ and 1½.

The table follows:

Group	No. of Stock	Gain	Loss	Unchg.
Pulp	14	7	2	5
Specialties	13	4	5	4
Tractions	8	2	4	2
Utilities	12	6	1	5
Steel	11	4	4	3
Textile	6	1	4	1
Industrials	14	2	5	7
Milling	7	2	2	3
Banks	13	3	3	7

TORONTO.—Narrow and inactive with a tendency to firmness is the way brokers size up the position of the Toronto market during the past week. A few issues provided some leadership and some interesting trading but the real buying power that is necessary for an active list was not there. Nevertheless, said one broker, the trading is much better than many expected it would be considering the season and the serious situation which resulted from the collapse of the New York list. No volume of selling is appearing, however, and it is not expected that prices will move below the present levels. Weakness developed here in some of the milling and industrial issues while several specialities came in for considerable attention and made gains.

The trend of the mining market has been upward. Generally favorable news has been received from all the camps while the improvement in the power situation has added materially to the outlook for many of the small mines. The result has been that the tendency of these issues has been upward.

The silver issues are also stronger. Some of these issues have shown quite an improvement in the week. Most of the silvers are in a strong position.

MONTREAL.—Behind the midsummer dullness in the stock market is still the feeling that the definite future trend of the market is yet to be determined. Most observers profess to see better prospects for stronger prices. Stocks have had a considerable decline. Although the stronger and more seasoned issues have sold off but little from the high points reached in the spring, the decline in many of the more speculative issues has been sufficient to move the stock market average of prices down to where it was before the end of last year. The extent of this liquidation in prices, coupled with the fact that prospects for business in Canada are decidedly favorable, are the strong elements in the situation. The stock market seems to have reached the point where it is more likely to be influenced by favorable news than by unfavorable news and this is always a healthy sign.

ABITIBI'S RAILWAY MEANS A SAVING

Big Storage for Winter Supply for Mill Will Not be Necessary

Now that the company railroad into its timber limits is running, and with it some thirteen miles of branch lines, the Abitibi Power and Paper Company will be able to effect several savings. The railway will make it possible to get wood to the mill all winter, thereby rendering unnecessary a big wood pile. All now required will be a reserve to provide against costly shut downs in case of temporary accidents to the railroad. A smaller wood pile means hundreds of thousands of dollars free which would otherwise be locked up in wood. Also the smaller wood pile means reduced insurance charges. The company railroad brings other savings, since the logs can be loaded and brought to camp more quickly than they can be logged to the river from distant parts of the limits. These savings are important as offsetting the increased labor charges resulting from the increase of about 5c an hour given in May.

The Abitibi is now sending out a train of paper (from 18 to 20 cars) every day in the week except Sunday.

Sharp Practice Charged to Stock Salesman

Two Toronto stock salesmen have been convicted of obtaining Victory bond certificates by fraud. H. C. Mendoza and F. E. Merton sold K. and S. stock to a Burlington, Ont., woman and took $1,000 Victory and $1,000 Nukol bonds. It was alleged that Merton was introduced as Martin, liquidator of the Nukol Co., and the representation made that the putting of his pen to the bonds made them worth 100 cents on the dollar. It was also contended that the promise to turn over the 6 months' interest on the Victory bond was not kept. Found guilty, the pair are on bail pending an appeal.

ONTARIO EQUITABLE BUSINESS

A statement from Waterloo shows the premium income of the Ontario Equitable Life for the first six months of 1923 as $168,971. Including the business of the Policyholders' Mutual Life, which was purchased in May, the company now has $23,100,000 insurance in force.

MERCHANTS CASUALTY REPORT

The Merchants Casualty Company, which was purchased recently by Waterloo interests, has issued a statement covering the first six months of 1923. The head office has been moved from Winnipeg to Waterloo and the company's assets are now $448,374. Aside from reserves the paid up capital and surplus is $135,281.

CANADIAN NATIONAL

The financial report of the Canadian National System, including the Central Vermont Railway, for the month of May shows an increase of $1,005,727 in the net revenues. The gross operating revenues for the month were $21,830,532 and the operating expenses $19,746,308; leaving a net revenue of $2,084,223 against a net revenue of $1,078,496 for the corresponding month last year.

Earnings of the Canadian National for the first week in July amounted to $4,747,906, or an increase of $297,351, compared with the corresponding period of 1922.

The Canadian Pacific Railway reports gross earnings for the week ending July 14, amounting to $3,449,000, an increase of $264,000 over the corresponding period in 1922.

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News and Views for Investors

TECK-HUGHES

Forced selling at New York is said to be responsible for the recent break in Teck-Hughes which sold down to $1.20 as compared with a recent high of $1.40. The total sales which brought about the break were 37,800 shares. The position of the mine is a strong one and steady progress is being made.

DOME MINES

Just a steadiness in the power situation, not any increase in tonnage or values, was the cause of the June record output of $421,000 by the Dome. July should be even greater and come close to the $500,000 mark, if not pass it. Dome is breaking a tonnage almost in excess of the mill requirements and has a heavy tonnage on hand.

BELGO PAPER

The Belgo Paper Co., Ltd., is now in Canadian hands. It has been controlled in Belgium for 23 years. A new charter in Canada, capital stock, $13,500,000, has just been taken out. The new control took charge on April 1. Payment for enough shares to place control in Canada was recently made to a Brussels banker who came to Canada to receive the money.

OTTAWA POWER

About $60,000 a year in fixed charges will be saved by Ottawa Power as a result of the reorganization of its bonded indebtedness now contemplated. Eight per cent. bonds payable in New York funds with a two per cent. sinking fund will be replaced by 6½ per cent. preferred stock. A full statement of the purposes of the changes will be made next week by the directors, it is promised.

MAPLE LEAF MILLING

The present financing of Maple Leaf Milling makes it opportune to point out what is little known; that this company practically controls the Canada Bread Company which distributes bread on a big scale in Toronto, Montreal, Hamilton and Winnipeg. In addition, Maple Leaf Milling controls the Campbell Milling Company, of Toronto, and of course the Hedley Shaw Milling Co. is part and parcel of its operations.

ABITIBI MAKES CHANGE

The Abitibi Power and Paper Company, Limited, are erecting a new building in connection with the huge plant at Iroquois Falls to bring the drum barkers under cover so that these may be used in the winter. Up to date knife barkers have been employed in the winter months. These large drum barkers, which toss the spruce about, thus removing all bark, are more economical than are the older knife barkers.

MEXICAN TRAMWAYS

The Mexican Government is out with a proposal to put a tax of 10 per cent. on the gross revenue of all tramway companies operating in that country. Mexican Tramways is opposing the proposal. Since the first of the year such a charge or tax has been imposed on the railways of the country but this was offset by the granting of an increase in the railway tariffs. The tramway companies contend that such a tax would ruin at least a couple of them.

CANADIAN CAR ORDERS

The Railway Age reports, among other railway equipment orders, an order by the Canadian National Railways of 750 box cars of 50 tons capacity from the Canadian Car & Foundry Company, and 250 from the National Steel Car Corporation. Such augmentations of the 1923 business estimated by officials of Canadian Car & Foundry last spring, lend weight to the expectations that substantial payment of dividends in arrears on the preferred stock of the company will be made this year.

TRANS-CANADA THEATRES

After a lengthy meeting the shareholders of the Trans-Canada Theatres, Ltd., accepted the suggestion of their directors to voluntarily wind up the company and a provisional liquidator was appointed. The president stated that the total liability came to about $189,000 and of this amount $25,000 was immediately pressing for such claims as taxes. He stated that $100,000 was lost last year for which sum the Walker Theatre of Winnipeg, was largely responsible. Up to June 2nd, 1923, the loss had been around $45,000 for this year.

WOODS MANUFACTURING

Earnings of the Woods Manufacturing Company for the first half of 1923 has been 25 per cent. in excess of earnings for the corresponding period of 1922. This is the statement of Lt.-Col. J. W. Woods, president of the company. Col. Woods speaks very optimistically of the outlook for the current year for his company. With the fall business, which will naturally arise from the large crop now in prospect, an even greater increase may reasonably be anticipated with regard to the last half of this year.

NIPISSING

Nipissing mining stock acted rather queerly during the past week or so. On the 10th the issue toppled to the lowest level of years, par $5, which gave the investor a return of 18 per cent. This low level for such an issue started some buying and the stock moved up to $5.60 and $5.75 only to tumble the next day to $5.30 on sales of 460 shares. Nipissing is in an excellent position having a treasury equal to about $4 a share. Production is well maintained around $150,000 monthly with costs steadily decreasing. It is said that if needs be Nipissing can mint and mill silver at 20 cents an ounce.

CANADA STEAMSHIPS

A British investment house, offering a block of the Canada Steamship Lines first mortgage bonds, quotes a memorandum from the president, W. H. Coverdale, of recent date, in which he states that no commissions have been paid on any of the corporate transactions of the company under the new management. It is also pointed out that the company owns outright all of its subsidiaries with the exception of a few shares of stock in such unimportant concerns as the Reid Towing & Wrecking Company and the Canadian Wrecking Company. Ownership of the Davy Company, it was pointed out, would shortly be acquired through the foreclosure of the third mortgage.

Quite a number of these bonds, which were issued to the amount of $6,000,000 last spring, have found their way to England and the underwriters of the issue, Nesbitt, Thomson and Company of Canada, and Kissel, Kinnecutt and Company in New York have filled numerous orders from British buyers.

CANADA BREAD

As has been expected for some time, the past year was the best in the history of Canada Bread. The company's year ended on June 30 and Mark Bredin, the president, is the authority for the statement that the annual report that will be out next month will reveal the best year in the concern's history. There is a feeling abroad that consideration of a dividend on the common stock is not far off but nothing official on this point has been forthcoming. The price of this issue has shown a material decline from the high of 65 recorded in June and the 1923 high of 66¼ made in March. There has been one sale of 62 shares at 58 and 59 since the end of the fiscal year, made on July 6.

AMERICAN SALESBOOK

Since the turn of the month 350 shares of American Salesbook common have been traded in. The July opening price of 35½ broke to 34 and then recovered a point. This compares with a June high of 39 on the 21st. A strike in the company's plant at Niagara Falls and Elmira is the reason advanced for the selling which developed. This was nothing more or less than a tempest in a teapot. One union made an unreasonable demand as to a working agreement. It was refused. A strike was called but only lasted until the International heads of their organization could order them to return to work. They did.

LAKE SHORE

It is not generally known that operations on the Lake Shore were recently shut down tight. This was to allow for the installation of a new head frame on the shaft, and while this was being done advantage was taken of the opportunity to make some slight repairs to the mill. It may just be that this delay may be reflected in the July earnings. If so shareholders must not conclude that it is due to any decrease in the value of the property or mine, but to a reduced tonnage. It may be that Manager Coffey may make up the lost production by putting through a few tons of higher grade ore. He could do this easily and thus wipe out all signs of the shutdown in the value of the month's output.

DURANT MOTORS

In face of the general decline in the majority of the stocks traded in on the different markets, it is interesting to note that Durant Motors, which tumbled quite suddenly in June to around $6, about half its former selling price, has made quite a recovery and is now selling around 8 and 9. The issue is traded in only in unlisted security circles and there is a feeling among some of these dealers that the market is a made one. "We find it difficult to buy but just a little more so to sell," said one dealer. "While the market is apparently strong," it was stated by another, "a block of 200 shares would easily break it badly." It is reported that on both sides of the line, but especially in the United States, that the market break has played havoc with the sales organization. The Wall Street Journal says that many salesmen have quit in the face of protests from uneasy shareholders and that it has taken considerable selling talk to keep the remainder in line on a proposition which has not sold as easily as when security prices in general were climbing.

STOCK MOVEMENTS OF THE WEEK

Week Ending July 17

Banks—	Div. Rate	Ask	Bid	High	Low	Close	Sales
Commerce	12	197	195	196	194	196	79
Dominion	12	195	194	194½	192	194½	39
Hamilton	12	159	—	162½	159	159	93
Hochelaga	10	150	—	149	149	149	32
Imperial	12	183½	182	187	181	181	16
Molsons	12	170	—	170¼	169¾	170	70
Montreal	12	—	234	236	233½	236	78
Nationale	6	100	—	100	99	100	11
Nova Scotia	16	261	258½	260	258½	259	47
Royal	12	221	220	221	220	220½	93
Standard	14	200	—	203	200	200	14
Toronto	12	186	184	185½	184	185	28
Union	10	—	116	117	115	116½	183
Industrials, Utilities, etc.							
Abitibi, com.	4	59½	58½	59	58	59	865
Do., pref.	—	—	99	85	85	85	2
Amer. Salesbook, com.	1	37	35	35	34	35	229
Do., pref.	7	89	86	87½	87	87½	12
Asbestos Corp., com.	6	52	51¼	52	52	52	50
Do., pref.	7	76½	—	75	75	75	5
Atlantic Sugar, com.	—	18	16	17	15¾	17	202
Barcelona Traction	—	19	18¼	19	18¼	18¼	110
Bell Telephone	8	121½	121	121½	120	121	712
Bird & Son, pref.	7	—	90½	90½	90½	90½	2
B. C. Fishing	—	14	13	13	13	13	5
Brazilian Traction	4	47¼	46¾	47⅝	46¼	47	1602
B. E. Steel, com.	—	7	6	6½	6	6	252
Do., 1st pref.	7	66	65	65¾	65⅝	65⅝	65
Do., 2nd pref.	—	19	18	20	19	19	862
Brompton Pulp	—	37	36	37½	35¾	37	1050
Burt, F. N., com.	10	127	125	125	124	124	95
Canada Bread, pref.	7	93	92½	93⅜	93	93	62
Can. Car & Foundry, com.	—	29	27	27	27	27	100
Do., pref.	—	76	74	76½	74¼	74½	400
Canada Cement, com.	6	—	79½	79½	79	79½	226
Do., pref.	7	—	104	105½	104⅛	104½	136
Canada Steamships, com.	—	14½	13½	13¾	13	13½	75
Do., pref.	—	46½	45½	46¼	44½	46	190
Can. Consol. Rubber, pref.	7	100	80	90	90	90	5
Can. Converters	7	—	86	87	86	86	152
Can. Cottons, com.	8	106	105	108	105½	105½	145
Do., pref.	6	—	89½	90½	90	90	61
Can. General Electric, com.	6	102¾	102	102⅞	98	102	1025
Can. Locomotive, pref.	7	95¼	94¾	94¾	94½	94¾	6
Can. Pacific Railway	10	153	152	153	150½	151	186
City Dairy, com.	10	145	141	140	140	140	125
Do., pref.	7	100	—	100	99½	99½	25
Consumers Gas	10	158	156½	159	156½	156½	78
Cuban Can. Sugar, com.	—	6	5	6	5½	5½	26
Detroit United Rly.	6	70½	69¾	70	69	70	643
Dominion Bridge	4	63	62⅞	63½	62	63	166
Dom. Canners, com.	—	29	—	28½	28	28½	81
Do., pref.	7	84	—	85	84	84	20
Dominion Glass, com.	7	93	92	92	90	92	200
Do., pref.	7	—	104½	104½	102¼	104½	28
Dominion Iron, pref.	7	78	—	78	78	78	60
Dom. Steel Corp., pref.	6	74½	74	75	74½	74½	25
Dominion Telegraph	6	44	42	43¼	43¼	43¼	19
Dom. Textile, com.	4	—	66	68	65½	65½	590
Duluth-Superior	—	41½	41	41½	41½	41½	60
Goodyear Tire, pref.	7	86	85	86⅞	86	86	75
Illinois Traction, com.	—	50⅝	50½	50½	50	50½	190
Do., pref.	6	87	85¾	86½	85¾	85¾	66
King Edward Hotel, com.	10	46	—	46½	45	45	23
Lake of Woods Milling, com.	12	170	—	170	168½	168½	30
Do., pref.	7	—	118	117½	117½	117½	58
Laurentide Paper	6	95	94½	95	92	94½	780
Lyall Construction	—	20	19⅞	20	19½	20	260
Macdonald, A.	—	5½	5	6¼	5½	5½	70
Mackay, com.	7	—	109	112	109	109	232
Do., pref.	4	68½	68	68	68	68	57
Maple Leaf Milling, com.	8	90	—	88	88	88	25
Do., pref.	7	95	92½	96¾	93	93	25
Mexican Trams	—	—	32	32½	32½	32½	15
Montreal Light, Heat, Cons.	6	—	120	120	117½	120	626
Montreal Telegraph	8	—	52	52	52	52	15
National Breweries, com.	4	48⅝	48½	49	47½	48½	295
Do., pref.	7	95½	—	95	95	95	17
Ogilvie Flour, com.	12	—	270	270	270	270	135
Do., pref.	7	—	116	120	120	120	25
Ontario Steel Products, com.	—	45	44¾	45	44¾	45	35
Do., pref.	7	—	85	90	90	90	25
Ottawa Light and Power	6	—	84	85	84	84	192
Pacific Burt, com.	6	—	103	103	103	103	5
Penmans, com.	8	145	143	146½	143	143	157
Do., pref.	6	100	98	98¾	98	98¾	160
Porto Rico Rlys., com.	—	—	15	18	18	18	10
Price Bros. com.	2	43	42	42⅞	40½	42	110
Provincial Paper, com.	6	90	—	90¼	90	90	45
Do., pref.	7	97	—	97	96¼	96¼	145
Quebec Railway	—	21½	20½	21½	20¾	21½	681
Riordon, com.	—	3	2	2¼	2	2	200
Rogers, Wm., com.	—	55	—	55	55	55	10
Do., pref.	7	—	90	90	90	90	29
Shawinigan Water & Power	7	115¾	115¼	116	115	115¾	173
Sherwin Williams, com.	6	109	—	109	109	109	25
Spanish River Pulp, com.	7	88	86	87⅜	84	87⅜	1095
Do., pref.	7	98	96	97½	94¾	97	1274
Smith, Howard, Paper, com.	6	—	68½	68	68	68	110
Do., pref.	8	102¼	—	100	100	100	10
Steel of Canada, com.	7	69	68	69	68	68½	275
Do., pref.	7	102	101	101	100	101	69
St. Lawrence Flour, com.	6	56¼	—	55¼	54	55¼	165
Do., pref.	7	91	—	91	91	91	1
St. Maurice Paper	6	101	—	99½	98	99½	20
Toronto Railway	—	78	76½	78½	76	77½	247
Twin City, com.	6	72	71½	72	70¾	71¾	326
Wabasso Cotton	4	—	72¾	73	72	72¾	125
Wayagamack	—	—	47⅛	47½	47½	47½	25
Western Canada Flour	8	106	—	105	105	105	21
Winnipeg Electric, com.	—	—	32	32½	32	32	151
Do., pref.	7	85	83	84	84	84	25
Woods Manufacturing, com.	8	—	51	50	50	50	3
Canada Landed	10	80	—	78	78	78	5
Can. Permanent	12	—	189	190	189	189	28
Col. Investment	6	—	8	8¼	8	8	29
Landed Banking	9	—	144	144	144	144	5
Ont. Loan & Deb.	10	—	83¼	83½	83½	83½	6

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BRANDS LEADER OF N. S. MINERS PAID RED AGENT

International Mine Workers' President Places Ban on District Officers

MAY BREAK STRIKE

Gets up Provincial Organization Which May Mean Early Return to Pits—Moscow Agents in Ontario

The definite charge of John L. Lewis, international head of the United Mine Workers' Union of America, that Daniel Livingstone, head of the Nova Scotia miners, was in the pay of the Red Government of Moscow, substantiates the oft-repeated charges of THE FINANCIAL POST that paid Red agents were very active in many parts of the Dominion.

Lewis has gone farther than make the charge. He has cancelled the union's charter and expelled all the officers, outlining the position of his union in regard to Red activities in no uncertain terms. He condemns the present strike as a breach of contract. Lewis has steadily demanded that the miners return to work. His demands have been rejected and so he has wrecked the union and set up a provisional union. In his letter to the officers expelling them he definitely and clearly and in decidedly forceful language painted the Red flag on each. He said:

"I am not unmindful that it is probably a fruitless task to attempt to reason with you in the midst of your mad adventure, yet in your sane moments you must recognize that the course you have been and are now pursuing violates every tenet of your organization. It ruthlessly tramples upon every rule of conduct of our union, and constitutes a departure from its every tradition. Your deliberate breach of the existing contract between the operators and miners of Nova Scotia is indefensible and morally reprehensible.

"Your assault upon these laws and institutions of your Provincial and Dominion Governments cannot be countenanced by the United Mine Workers of America. The official statement of the District Executive Board that the strike was for political purposes is illuminating, and gives additional proof, if such was needed, of your true intent. I have in mind that you are a self-proclaimed revolutionist. I am familiar with the constant intrigue between yourself and your evil genius McLachlan and your revolutionary masters in Moscow. I can recall the sentiments which you enunciated at a comparatively small meeting of the International Executive Board at Indianapolis when with the cold ferocity of a five-year-old defying its mother you announced you were a believer in revolution by force.

"No doubt the present strike in Nova Scotia corresponds with your idea of a revolution against the British Government, and is in pursuance thereof.

"In consideration of these strange facts the International Union feels warranted in intervening for the protection of its membership and to permit the discharge of its properly assumed obligations. You may as well know, as at any time in the future, that the united mine worker is not a political fanatic who seeks to strike down the established institutions of his government. Neither can it be used to sustain officers of perverted business morals or individuals suffering from mental aber-aggregation of papier-mache revolutionists who are associated with you."

Mr. Lewis then follows with the information that he has set the machinery going for a temporary provisional union and that any locals that refuse to return to work will be expelled. There is an apparent desire on the part of many to go back to work and the fact that Mr. Lewis has now given them a head, Silby Barrett, whom he has named provisional president, should lead to an early movement back to the pits.

In the meantime, there has been Red activity among the gold miners of the North. Soviet agents have made their appearance in Timmins and it is suspected that they have had a hand in getting the miners stirred up to demand a wage increase. They did so. It was half-hearted as the strike vote that was recently taken evidenced. Now they have a board of arbitration about to convene. It is decidedly unlikely that they will get anywhere. The mine managers do not take them seriously. Neither do the majority of the miners.

The last appearance of Reds in the North was at Cobalt a couple of years ago. The plot was a good one, involving the tie-up of one large mine at a time, had it worked, but one lone mine manager, supported by the others and employing a little strategy easily bested them. The agitators had to leave for other parts to get a job.

CONSOLIDATED SMELTERS

The Consolidated Mining and Smelting Company reports ore receipts at Trail Smelter for the first week of July amounting to 9,756 tons, 9,103 tons of which were produced by the company's mines. The receipts from January 1, to July 7, were 240,222 tons.

CANADIAN GENERAL ELECTRIC

Canadian General Electric stock has sold at a new high, 104½ on almost insignificant buying orders. This price level is the highest since March, 1918, when the market range reached the same level. The highest in the history of the company was in 1916 when it reached 112. The 1922 high was 103. The present buying is said to be a revival of the effort of the U. S. General Electric to secure control of the Canadian concern. It is being pointed out that at 104 the yield on this issue is only 5¾% and this is cited as an evidence that the buying is certainly not of the investment calibre, the yield being considered too small for a stock of this class. Canadian General Electric has some tremendously large orders on hand.

Mystery Man of Europe Holds Montreal Stock

From Our Own Correspondent

MONTREAL.—An examination the other day of the shareholders' lists of the Quebec and New England Hydro-Electric Corporation, a subsidiary of Montreal Tramways and Power Company, revealed that fact that Sir Basil Zaharoff is a shareholder in a minor way.

Sir Basil is rated as the richest man in Europe. Of him it is said that "Rockefeller has millions but Zaharoff has more millions." He is stated to have been responsible in a way for the reverse of Greece in the war against the Turks, he having withdrawn financial support from the fight at a critical moment. Some observers blame Sir Basil for the recent revolution in Hungary. Starting life in humble circumstances on the streets of Constantinople he grew to fabulous wealth and power. And he is a shareholder in the company that supplies parts of Montreal Island with light.

THE AMERICAN STEEL WORKERS OPPOSE UNION

Do Not Want to be Dominated by the Foreigners

IF THE latest effort to unionize the steel industry in the United States fails, as preceding efforts have done—which seems likely—it will not be because the steel companies oppose the idea so much as because of the attitude of the workers themselves.

As a matter of fact, the steel unions are now made up largely of the foreign element. The Amalgamated Association of Iron, Steel and Tin Workers up to two decades or more ago was a strong labor organization, but its membership has been dwindling until to-day it is made up largely of unskilled aliens. The efforts of such organizations to unionize the steel workers have failed because very few American workmen are in sympathy with the movement.

As a matter of fact, the steel workers have been very handsomely treated by U. S. Steel and other steel companies. The workers have been better treated than the shareholders. When the United States Steel Corporation was organized, the average wage per man was $715 annually. In 1920 the average was $2,173, and in 1923 the average will probably be close to $2,000 annually. In 1902 the wage bill of U. S. Steel was $120,000,000; in 1923 it will run between $400,000,000 and $500,000,000. And while these increases in wages have been paid, the stockholders have had to be content with the same old 5 per cent. dividend; this notwithstanding the fact that Steel has added something like $400,000,000 of capital in its organization and approximately $1,100,000,000 for new construction and acquisitions and cut down its interest and preferred dividend obligations from $57,750,000 in 1902 to $52,700,000 in 1922. Capacity has increased from 9,425,000 tons in 1901 to 22,800,000 tons in 1922 and apparently the increased profits arising from this great increase in capacity and $400,000,000 addition to working capital has been paid out in wages and not in dividends. The Steel Corporation to-day is employing close to 240,000 men.

Gaudrean Results are Highly Encouraging

SAULT STE. MARIE.—Crosscutting at the four hundred foot level of Goudreau Mine has found a twenty-four foot vein, this result is gratifying. Values over a twelve foot width averaged twelve dollars and over four feet eighteen dollars. Drifting to the east is now proceeding.

Work on the Porter Premier has revealed a fine rich vein of great strength. Several other showings in the district have encouraged several other companies to commence work.

Many transactions are taking place daily and the camp is much encouraged.

Mike—"'Tis a fine kid ye have here. A magnificent head and noble features. Say, could you lend me a couple of dollars?"

Pat—"I could not. 'Tis me wife's child by her first husband."

—Milwaukee Journal.

WHY PEOPLE BUY USELESS STOCK

Nine Main Reasons Advanced by American Investment Bankers

By SAMUEL O. RICE,
Educational Director, Investment Banking Association of America.

Imagination, egotism and carelessness are foremost in the nine main reasons why people buy worthless securities. Dishonest greed, honest greed, ignorance, a belief that the law is a personal guardian and a notion that all crooks bear visible earmarks of crookedness are five more reasons. The ninth reason is fraud, which would be practically non-existent if the other eight reasons did not make it possible.

An individual with an unharnessed imagination makes it wholly unnecessary for a fraudulent promoter to use fraud in selling stock in a worthless "new invention" or other scheme. The promoter simply tells of the fortunes made by well-known inventions and industries; the victim's imagination does the rest. He sees the spurious enterprise achieving the same success. He doesn't let memory or reason tell him that the success of one company is absolutely no assurance that some other company will achieve success in the same line, or that the "new invention" came from a "laboratory" that specializes in turning out plausible, worthless "inventions" to be used as a basis for worthless stock flotations.

Egotism also enables the promoter to dodge risk of going to jail. He uses flattery instead of misrepresentation. Egotism prevents the buyers from heeding the advice of careful friends or of consulting a reliable dealer in securities. Carelessness is responsible for the losses by shrewd money-makers who are not familiar with investment-making principles and who are haphazard in investigation and careless of their sources of information. The careless "investment" often is termed "a flier in the market." It really is nothing more than a nose-dive to mud-bottom.

Something for Nothing

Dishonest greed makes the "bird-dog" type of buyer of worthless securities. There is one in every community. He exacts shady, "ground-floor" concessions from the promoter, and the promoter "reluctantly" consents. He always seeks something for nothing. He lets his acquaintances in on "good things," for a consideration from the promoter.

Honest greed is a delusion that honest, safe investments paying 10 or 12 per cent., or more, are easily found. History, and the most reliable authority possible cannot swerve many thoroughly honest people who have this notion. They are the despair of every honest bond salesman and an unending delight and profit to fraudulent promoters.

Ignorance, to be sure, takes in all the other reasons, but its most harmful feature is the failure of the uninformed investor to realize that he will never find a crook who isn't crooked and that he must go to a reputable dealer in securities who can and will tell him the truth, if he is to find profitable investments and avoid loss. Thousands, probably millions of people, do not know the difference between investing, speculating, gambling and throwing money away.

Blue-Sky Laws

Many persons strangely believe that blue-sky laws and other laws guarantee against fraud. Crooks have grown rich on this delusion. Blue-sky laws undoubtedly keep many swindles from reaching the public, but they do not keep them all out, and never will.

Nor does the crook talk, dress, act or look like a crook. He has a near-perfect disguise as a well-dressed, honest business man. Or, he may appear as a sturdy, old, diamond-in-the-rough oil man in boots and a two-gallon hat, who is too busy making money for his stockholders to put on a necktie. But never does he appear in the guise of Get-Rich-Quick Wallingford, although, strange to say, many sensible men and women expect to see him only in that type.

Fraud is often present in the sale of worthless securities, but is so adroit, is in what the promoter leaves unsaid, as well as in what he says, that it is difficult or impossible to convict despite the best efforts of prosecutors. What does the average man or woman know as to what constitutes criminal misrepresentation? Only a competent attorney can define it. Rather, the average man should guard against his own imagination, his egotism, and lack of information than against fraud. There is only one way to eliminate the nine reasons for buying worthless securities and that is to consult an honest dealer, just as you consult a reputable physician, lawyer or engineer when in need of expert advice.

UNLISTED SECURITIES

	Bid	Asked
Belding Paul, pfd.	87	90
Canada Mortgage	63	..
Can. Westinghouse, com.	129	132
Can. Machinery, pfd.	37	43
Can. Marconi Wireless	1.25	1.50
Cockshutt Plow, 7% pfd.	42	44
Can. Oil Companies, pfd.	96	98½
Do., com.	..	53
Commercial Finance, pfd.	70	76
Cosgrave Breweries	4	7
Continental Life	105	..
English Electric, com.	..	14
Do., pfd.	..	73
Dom. Power & Trans, pfd.	92	..
Do., com.	42	..
Dunlop Tire, 7% pfd.	85	87
Dominion Linens, pfd.	73	..
Excelsior Life	31½	..
Farmers' Dairy	50	..
Fam. Play. 7% p. 50% c.	..	79
Gunns, Ltd., 6% pfd.	..	36
Great West Life	214	..
Durant Motors	8	9
Dominion Mfg., pfd.	58	..
Inter. Milling Co., pfd.	96	..
K. & S. Tire, 7% p. 25% c.	..	33
La Paz Oil	..	50c
Lambton Golf Club	450	500
London Loan	46	51
Loew's Toronto, pfd.	..	61
Do., com.	..	35
Loew's London, pfd.	4	5
Do., com.	1½	2
Massey-Harris Co.	48	52
Manufacturers' Life 20%	54	..
Mortgage Discount Units	8	11
National Brick, pfd.	53	54
Do. com.	11	14
National Life $25 paid	50¼	..
Northern Can. Power, com.	50	65
Ontario Equitable Life	..	30½
People's Loan	60	..
Pantages, Hamilton 7% pfd.	30	..
Do., com.	..	3
Robertson P. L. Co.	25	35
Rolph Clark Stone, com.	15	..
Simpson, Robert, 6% pfd.	91	..
Sovereign Life	18	..
Sun Life Assurance	140	..
Toronto Brick, Co. pfd.	75	..
Trust & Guarantee	75	80
Tiger Tire Units (1 pfd. 2 com.)	..	20
Western Grocers, 7% pfd.	..	50
Whalen P. & P. Co., pfd.	17	19
Western Assurance	6¾	7¼
Brit. Amer. Assurance	6	7
Whalen Pulp, pfd.	17	19
Alta. Pac. Grain 7% pfd.	92½	94
Do., com.	106	112½
Collingwood Shipbldg. com.	50	57
Abbey Salts	27	..
Imperial Tobacco, com.	5½	7
Sterling Coal, com.	40	..
Dryden Paper	16¼	16¾
Eastern Engineering	22⅞	23
Frontenac Breweries	..	50
Can. Connecticut Cotton, pf.	87	91
Industrial Alcohol	16⅞	17
Laurentide Power	97	..
Manitoba Power, com.	24	25½
Provincial Bank	..	120
Saguenay Pulp, pfd.	1¼	2
Do., com.	..	1
Tram Power	11¼	..
West Quebec Power, pfd.	87	90

ABITIBI PREFERRED

Abitibi preferred recently made its first appearance since early in June, two shares selling at 85. The last sale was June 18, 85 shares at 100.

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Make Our Resources Safe

(Continued from page 1)

them personally as well as to the country. In school and church the children should be educated to guard against fire. Even the bitter lessons of the past have not brought a full measure of carefulness on the part of farmers, prospectors and others. This spring there were bad fires in the north—prevented from doing great harm by rain. This personal responsibility to guard against fire must be brought home.

But the government must do more than it has yet done. There is talk of aeroplane patrol, and much good has been accomplished by this. One Quebec province Pulp and Paper Company put out last year 97 fires which were discovered from aeroplane. Perhaps the aeroplane is not everywhere a possible implement. In New Ontario generally, and among rangers, the best results are believed to be possible from increasing the number of competent rangers; erecting more observation towers from which the rangers can inspect wide areas of country and so see and reach fires while they are small. The slash—lopped off boughs of trees and bushes—must be cleared away from all the towns, and the slash in the bush work should be carefully looked after, as indeed is the case with almost all the pulp and paper companies.

It will cost more money to reduce this fire menace to an inconsequential minimum. The money is an expenditure to protect resources worth millions now and possessing huge possibilities for the future—worth millions of revenue to the government now.

In the record of any Ontario government the fire losses in the north should stand out as honor marks or blots; and what is true of Ontario applies in large part if not in full to the provinces of British Columbia, Quebec and New Brunswick.

"Only the Lord can stop a forest fire when it gets going," said the North Ontario man; but the forces of the government, and the care of an informed and aroused population can prevent the forest fire "getting going."

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MILLING PROFITS HAVEN'T FOLLOWED EXPORT INCREASE

Canada's Ten Million Barrel Export Record at Close Margin

COMPETITION KEEN

Wheat at Under a Dollar is Not Helping Mills Now Turning Out Flour From Last Year's Crop

From Our Own Correspondent

MONTREAL.—Those who have been watching the growth in the past three years in foreign markets for Canadian flour and have looked to see this activity reflected in the market prices of milling stocks have been keenly disappointed. Our flour exports have grown; some important new markets have been cultivated, but the mills have not been making profits on a commensurate scale.

In the fiscal year just ended Canada shipped out more than 10,000,000 barrels of flour although shipments in 1922 were less than 7,500,000 barrels, and 1921 only 6,000,000 barrels. To Japan, to Poland, to Germany, to Finland, and to many other countries Canada shipped greatly increased quantities of flour. Shipments to Great Britain, to Newfoundland and other important markets increased as well, although not to the same spectacular degree as in the case of the countries first mentioned.

The Increase in Exports

Over a term of years flour exports have shown the following growth:

Wheat Flour Exports

	Barrels	Value
1918	9,931,148	$95,896,492
1919	9,205,439	99,931,659
1920	8,863,068	94,262,928
1921	6,017,032	66,520,490
1922	7,414,282	53,478,150
1923	10,227,060	60,075,426

It will be observed that the price per barrel has been declining to such an extent that the larger physical volume of shipments has not been shown to full degree in the value of the exports. This is further exemplified by the June export figures. In June, 1923, Canada shipped 904,619 barrels of wheat flour abroad valued at $5,285,069, as against only 764,625 barrels in June of 1922, which had however, a value nearly as high as the 1923 shipments or $5,163,245 to be exact.

The fact of the matter is that Canadian mills have been holding their own in foreign markets but to do so they have had to sell at prices that left them but little profit per barrel. Canadian mills have not been able to dictate as to prices and shipments as was possible during the war and their larger turnover has not meant larger profits to the same degree.

Handicapped in Rates

It is pointed out too, that freight rates on the ocean have been a handicap in two ways. First, the rates on flour have not been such as to encourage flour shipments as against wheat shipments. Secondly, Canadian mills claim that they have not been able to get as favorable rates out of Canadian ports as American millers have got out of American ports. The advantage to the American miller has been such as to enable him to undersell Canadian flour in England.

The mills have been operating in a falling wheat market. Wheat at 98 cents a bushel is a handicap to the mills that are trying to sell flour milled from last fall's more expensive wheat. It seems to have been the general experience that rising wheat prices have been a good thing for the milling companies while falling prices have not been so favorable a factor.

The flour trade in Canada has been better than the export trade and profits on this business have been more substantial.

It is a matter of gratification that Canada has been able to hold its foreign markets in wheat flour even with little immediate profit. More normal conditions in wheat prices and in world trade may mean that the connections that have been built up will be of substantial benefit to the milling companies.

What these markets may mean to the country can be seen in figures concerning the most important of them: the United Kingdom. A recent study by the Minister of Agriculture of Great Britain indicated that Canada supplies 49 per cent. of the total imports of wheat flour into Great Britain as against 34 per cent. from the United States and 13 per cent. from Australia.

The Milling Stocks

	High	Low
Lake of the Woods— (Common)		
1920	225	130
1921	155	127½
1922	169	140
1923 (to date)	184½	168½
Last sale—168½.		
Maple Leaf— (Common)		
1920	196	133
1921	100¼	93
1922	100½	95
1923 (to date)	126	92
Last sale—92.		
Ogilvie— (Common)		
1920	280	175
1921	214	165
1922	264	180
1923 (to date)	333	270
Last sale—270.		
St. Lawrence— (Common)		
1920	139½	59
1921	75	48¾
1922	88	65
1923 (to date)	82	52½
Late sale—55¼.		
Western Canada Flour— (Common)		
1920	145	105
1921	125	110
1922	121	105
1923 (to date)	115	105
Last sale—105.		

LAND COMPANY REFLECTS CROPS

Difficult to Make New Sales and Collections in Western Canada

The annual report of the Canada Land and Irrigation Company, for 1922, reflect conditions in the dry area in Western Canada and is, therefore, not a particularly pleasing document for the shareholders. The year's operations indicated a deficit of £53,614, including about £41,500 in debenture interest and £7,180 lost on farming operations. It is pointed out, however, that the figures are subject to adjustment because there is an unascertained liability for the cost of completing a canal which will be chargeable to the general property account. It is difficult, therefore, to say what profit, if any, has resulted from land sales made to date; the balance sheet shows a debit balance from profit and loss of £115,380. The company has disposed of 46,734 acres and has available for sale 486,160 acres. It is estimated that a total of 190,000 and 200,000 acres can be irrigated.

The report states that there was no improvement during 1922 in general conditions in Western Canada. The low prices of farm produce made farm lands almost unsalable and few indications are seen of a change for the better.

There has been considerable falling off in immigration. For the fifth consecutive year draught conditions prevailed in Southern Alberta and little or no crops were produced on non-irrigable lands. The terms of the company's sale contract were amended but despite every effort collections of instalments fell very much in arrears and at the end of the year there was a sum of £74,869 overdue. The loss on farming operations shown in the report was largely due to depreciation in the valuation of live stock.

Timbering in Summer Under Modern Efficiency

From Our Own Correspondent

MONTREAL.—A number of the largest lumber companies in the Riviere du Loup district are planning to carry on lumbering operations during the present summer on some of their timbering limits. This is a radical departure from the custom of cutting and hauling the logs during the winter. Heavy snows during the past winter impeded and greatly retarded cutting operations. In the past hot weather has been considered a handicap and summer hauling was supposed to be at a disadvantage as compared with the facilities offered by the snow. Modern equipment, however, has made the handling of logs in summer easier than the winter. A saving of timber also results, for stumps can be cut lower in summer.

OTTAWA EXPECTING EMBARGO PROTESTS

With Election Approaching Both Parties Will be Seeking Good-Will of Publishers

From Our Own Correspondent

OTTAWA.—While an embargo on pulpwood exports is different from the placing of a high import duty on imports, still the effect may be quite the same. For example, while the proposed embargo on pulpwood exports would bear directly on the United States, that country being the only purchaser, still its effect would be very little different than that resulting from the high duty placed against the imports of wheat into the United States. The latter duty affected Canada alone, it being practically the only exporter of wheat to the republic. Moreover, the avowed object was to shut out Canadian wheat, regardless of what the effect might be on the producers of it on this side of the line.

It is quite expected here that a protest may be made by the Department of State, for with a presidential election due in the United States next year, both parties will be eager to do everything in their power to enlist the support of the American publishing interests.

OTTAWA POWER CO. CHANGING CAPITAL

Bonds Being Redeemed and New $6,000,000 Issue Is Arranged For

From Our Own Correspondent

MONTREAL.—Changes of considerable importance in the financial organization of the Ottawa Light and Power Co. are being arranged to facilitate the financing by the company and shareholders are being asked to meet on July 23 to authorize these changes.

The company has now outstanding $3,500,000 of capital stock, which is not being affected by the proposed reorganization. The unissued capital stock to the amount of $1,500,000 it is proposed to convert into 6½ per cent. cumulative preferred shares. These shares would be sold for the purpose of redeeming the outstanding bonds of the company which total $1,300,000, including $1,200,000 of 8 per cent. bonds and $100,000 of 6½ per cent. bonds.

There are also outstanding $1,625,000 of bonds of the two subsidiary corporations, the Ottawa Electric Co. and the Ottawa Gas Co. Provision is made for the refunding of these bonds as well. The directors ask authority to create a new issue of $6,000,000 of refunding and collateral trust mortgage bonds to be dated September 1st, 1923, and to run for thirty years. This issue will replace the presently authorized $6,000,000 of first mortgage bonds and the directors are to be authorized to sell them for the purpose of redeeming the underlying bonds of the Ottawa Electric Co. and Ottawa Gas Co., for the funding of capital expenditures made on the property of the company and its subsidiaries and for the provision of additional working capital.

Vipond Picks up Rich Vein on the Surface

In making a survey to lay pipe lines for mine and plant extension on the Vipond in Porcupine, a large vein was found on surface. It is believed to be vein No. 10 which has been opened up from the 300 to 500 levels. This will give 500 vertical feet. The vein has been uncovered on surface for 40 feet and is 8 feet wide and shows plenty of free gold. On the lower levels, where developed, the vein showed high grade.

Plans are going ahead to increase the plant capacity to 400 tons and the mill is to be overhauled and should be operating before Christmas. Six drills are working, the full power supply having been turned on about the middle of last week. Diamond drilling is to be undertaken from the 1,000-ft. level to try and pick up vein No. 9.

Steel Output Falling Off But Still Ahead of 1922

The production of steel ingots in June by companies which in 1922 made 95.35 per cent. of the country's total was 3,574,567 tons, compared with 4,000,695 tons in May, according to reports to the American Iron and Steel Institute. On the basis of these figures the country's total output of steel was 3,748,890 tons in June, a decline of 10.6 per cent. from the May total of 4,195,800 tons. The total output for June, 1922, was 3,127,755 tons.

BRITISH INTERESTS WANT GOVERNMENT TO BUY RAILROAD

Complain of Treatment Received in Connection With Gaspe System

CLAUSE IN SUBSIDY

Cannot Finance Due to Prior Lien of Government—But is Their Complaint Propaganda to Force Purchase?

From Our Own Correspondent

MONTREAL.—The Earl of Ranfurly, president of the Atlantic, Quebec and Western Railway Company, has come out with some pointed criticisms of the Canadian government in connection with the treatment of his company. At the same time the earl makes a plea to the Canadian National Railways to purchase the line. Otherwise, he points out, the Englishmen who have invested some seven millions of dollars in this railroad, can never hope to receive an adequate return. The earl's criticisms are the result of a speech in the House of Commons last month by Hon. Charles Marcil, who condemned the company for the antiquated rolling stock on its line and the generally poor service it was giving.

The Atlantic, Quebec and Western was formed twenty years ago to build a railroad in the Gaspe Peninsula. Later an affiliated company, the Quebec and Oriental, added another spur to the line so built. Since then, proceeds Earl Ranfurly:

"The Atlantic & Oriental Companies have had to face a series of difficulties which nobody could ever have contemplated, the most serious of which, perhaps, was the passing of a clause in the Railway Act of 1911, under which, if a company whose railway has been constructed with the aid of a Dominion Government subsidy, fails to comply with an order made by the Railway Commissioners, there shall ipso facto be created a first lien or mortgage on such railway and its equipment in favor of the Government for the amount of the subsidy granted which shall immediately become due and payable to the Government.

"This clause is retroactive. It will be seen that it not only makes operating expenses a second charge (these under the Railway Act have always been a first charge), but it destroys the priority of all Canadian railway bonds, even of prior lien bonds, issued specially to comply with orders of the Railway Commission. This is not unnaturally regarded as a breach of faith, affecting as it does the prior rights of the bondholders in all Canadian railways who subscribed for their bonds in the faith that these prior rights created under the general Railway Acts of Canada would always be protected. Consequent upon the passing of this clause it is impossible to raise money for small Canadian railways. A serious position in any event, but a bad one, indeed, when want of capital prevents a railway company carrying out an order of the Railway Commissioners, involving, as this would, liability to confiscation.

Steamers in Competition

"Steamers subsidized by the Government have been running in competition with these railways. These steamers while taking a large share of the summer traffic lie up in the winter, and leave the unfortunate railways to bear the whole burden of transportation during the lean and difficult winter period.

"In common with other privately-owned Canadian railways, these companies have had to pass through that trying period during the war when increased wages were forced upon the Railway Companies by the Government, while no corresponding increase in rates and fares was permitting.

"During all these years not a penny has been taken out for bond interest, but the whole of the gross receipts have been put back into the railways in addition to other large sums of money.

"Is it to be wondered at that a feeling has arisen that a policy of starvation and confiscation is being deliberately followed. We do not ourselves hold that view, but there are unfortunately many people who do.

"Unfortunately it is the case that the large sums of money necessary for the construction of these railways were found by English investors and they naturally feel that their railways, which it is understood are with one exception, the last of the small railways in the Maritime Provinces still under private ownership, should now be absorbed on fair terms into the Canadian National Railway system and not merely starved out and ultimately confiscated as would seem to be suggested."

Emphasizes "National's" Problems

The claim is made by the company that the service is adequate for the traffic offered, but there is bound to be a difference of opinion on this point. Those familiar with the district can best judge that point. For the moment the controversy is interesting in indicating the feeling of resentment on the part of the British investors. Just to what degree the resentment expressed is propaganda to induce the Canadian government to take over what has proven to be a bad investment for the English interests concerned, is not evident at the moment. The incident emphasizes the problems of the government in making the National Railway system pay its way and at the same time provide first-class railway service to every portion of the country.

DETROIT UNITED RAILWAY

Wage increases of six cents an hour for all motormen and conductors and 11 cents an hour for operators of one-man cars in Jackson and Flint were accepted by employees of the Detroit United Railway Friday night. The higher scale is retroactive to May 1.

The men had demanded 70 cents an hour for motormen and conductors, and 74 cents an hour for one-man car operators. The increase accepted which was the counter proposal of the company, brings the hourly wage to 66 cents an hour for men in the service a year, and five cents more in each case for one-man car operators.

Official Announcement
just issued by the Insurance Department at Ottawa shows that the ordinary business issued by The Great-West Life Assurance Company in Canada for the year 1922 was **$48,977,132, being greater than that issued by any other Company and over eight millions in excess** of the largest amount issued by any other Canadian Company.
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SILVER MARKET IS NOW FACING SOME FAVORABLE FACTORS

Pitman May Force U. S. Treasury to Take up 9,000,000 Ounces More

PRICES ARE WEAK

U. S. Production of 60,000,000 Ounces May be Thrown on World Market—Mexico is Leader

Silver prices have weakened of late, selling down to a new low for the year on Friday last, 62⅝, the former low being 63⅝, registered on Feb. 3. The price recorded was the same as the 1922 low. However, it quickly recovered and sold back up a half point the next day. The outlook is a little brighter. Bids for August and September deliveries are said to show an upward tendency.

There are several factors coming to the front to influence the market. Perhaps one of the most important of these is that Senator Pittman has made the interesting discovery that the U. S. Treasury purchases of domestic silver at $1 an ounce falls 9,000,000 ounces short of the amount contracted for under the Pittman Act. The Senator has attacked the department and has a probe under way to find out why the treasury took such action.

It is stated that silver stocks at Shanghai are comparatively small, while the available silver in Europe is also limited, the silver reserves of the leading European banks showing recently the first seven-day loss in over two years. Spain, Belgium, and Switzerland, recorded the declines. India is about to start wheat shipments, which will establish a new precedent, being two months in advance of the export season. This should materially help the silver market.

If Pittman Act purchases are extended to cover the 9,000,000 ounces short of the total, this will fall under the Canadian production. On the other hand the ending of Pittman purchases will release the total U. S. production of about 60,000,000 ounces. The estimated world's production in 1922 was 187,000,000. Mexico led with 75,000,000; Canada, 17,000,000 (it fell short); Burma, 5,000,000, and others, 30,000,000.

In the meantime, while Pittman purchases were on United States, domestic consumption of silver took 27,000,000. This has shown a heavy increase due to the expansion of the moving picture industry.

New Power Helping Out Porcupine Gold Mines

The power outlook in Northern Ontario is the brightest it has been in some time, though it is far from being solved. The bringing in of the first Sturgeon Falls unit and the first of the Indian Chutes development simultaneously have helped materially. Davidson and Vipond were the two important operations to benefit. Other power will follow almost immediately by the bringing in of other units. Consolidated West Dome Lake, Clifton, Goldale, Newray, Night Hawk, Peninsula and Matachewan Canadian are the mines that are in line to secure a supply of power.

NORTHERN ONTARIO ESSAYS

The Ontario Mining Association has decided to offer a prize of $100 for the best essay on Northern Ontario and a second prize of $50 for the second best, the conditions being that the contest shall be open to high school students within this province.

COPPER STOCKS REDUCED

Stocks of refined copper in the hands of American producers were reduced about 7,000,000 pounds in June, according to Dow, Jones & Co., who estimate stocks on June 1 at 197,500,000 pounds. This is the first time since the war that stocks of refined copper have dropped below 200,000,000 pounds.

Silvers and Other Mine Product Prices

	July 12	13	14	16	17
Nickel	28	28	28	28	28
Silver London (Pence)		30 13-16	30⅝	30¾	30⅞
New York	63	62¾	63¼	62⅞	63
Cobalt	3	3	3	3	3
Copper	14¾	14¾	14¾	14¾	—
Lead	6	6	6	5 8-10	—
Zinc	6½	6½	6 1-3	6 1-5	—

SILVER PRICE RANGE

	High		Low	
1922				
N. Y.	74¾	May 22	62⅝	Dec. 15
London*	37⅝	May 23	30⅝	Dec. 15
1923†				
N. Y.	68⅞	Apr. 30	62¾	July 13
London*	33 3-16	Apr. 30	30½	Feb. 3

*In pence.

Metal Monthly Averages.

	Copper	Silver	Lead	Zinc
July	13.90	70.75	5.74	6.12
Aug.	13.95	69.90	5.38	6.59
Sept.	13.88	70.01	6.21	6.92
Oct.	13.80	68.52	6.70	7.20
Nov.	13.79	65.68	7.22	7.42
Dec.	14.22	65.1	7.26	7.47
Jan.	14.65	66.21	7.84	7.30
Feb.	15.50	64.84	8.21	7.60
March	16.95	68.03	8.45	8.22
April	16.80	67.35	8.03	7.67
May	16.12	67.57	7.47	7.07
RECENT YEARLY AVERAGES				
1922	13.56	68.38	5.71	5.09
1921	12.65	63.07	4.55	5.15
1920	17.50	110.0	3.08	8.1
1919	13.7	111.1	5.6	7.8
1918	24.6	96.8	7.4	7.9
1917	27.2	81.4	8.8	8.8
1916	27.2	65.7	6.9	13.6
1915	17.3	49.7	4.6	13.2
1914	13.6	54.3	3.9	5.3

Keeley May Cut Rich Veins on Lower Levels

The present week should bring some interesting information from the Keeley mine in South Lorraine. Shaft sinking has just reached the 8th level and the station is now being cut. Immediately a cross-cut will be run to cut the rich veins opened up on the 7th level. These include the famous Woods vein and veins 26 and 28. All three carry tremendous values and are full of leaf silver and rich metallics.

The dip of the Woods vein was towards the shaft and it was the expectation of the management that this vein would be cut in taking out the station. So far no announcement to this effect has come from the mine. The importance of the present work may be gauged by the fact that if the veins found on the seventh level are cut on the eighth, it will give 75 vertical feet of this bonanza silver, always providing the values are maintained.

EXTEND RAILWAY TO THE LORRAINE CAMP

Mining Men Expect Early Action From New Provincial Ministry

One of the important actions expected of Premier G. H. Ferguson and Hon. Chas. McCrea, Minister of Mines, is the early authorization of the extension of the Nipissing Electric Railway from Cobalt to South Lorraine.

"We have been practically promised that the railway will be built," said one interested mining man. The line will likely run from North Cobalt and follow the road. This would mean 18 miles of road to be built.

Not only does South Lorraine promise a heavy freight and traffic business, but there are strong indications that the large area lying between that camp and Cobalt may also provide a number of mines. Right now the Mining Corporation and McKinley Darrah are opening up important prospects some six miles north of the South Lorraine camp and this fact has attracted a number of prospectors who are carefully scrutinizing this promising area.

Commissioner Named For Northern Ontario

F. H. Keefer, M. P. P., Port Arthur, is to be commissioner for Northern Ontario. His appointment has been announced by the new provincial government and his official title will be "under-secretary to the Department of Mines, Lands and Forests."

This action is the result of a prolonged agitation from the north for better representation, on the grounds that Queen's Park was completely out of touch with the north. Secession talk was freely brandied about as a part of the agitation. Mr. Keefer will keep in constant touch with the various parts of the north and will endeavor to present their various problems to the consideration of the legislature.

Mr. Keefer is an old northerner, having resided there for some 40 years. It is expected that when statutory warrant for the appointment is asked at the next session of the legislature, the fixing of a salary for the post will immediately follow.

Vertical Combinations in the Copper Field

That Calumet & Hecla proposes to expand into the manufacturing field through acquisition of the Detroit Coper & Brass Rolling Mills appears to be well-founded. In this policy the company is following the policy of the Anaconda and the Guggenheim interests in developing its own fabricating interests. The Anaconda Company some time ago acquired a Canadian interest in the Brown Brass Company in Mimico, which now operates under the name of Anaconda-American Brass Co. as a part of its organization extending from the Butte mines to the copper and brass market.

CANADIAN NATIONAL OPERATING SURPLUS

By the End of May Was Out of the Hole—American Lines Making Profit

From Our Own Correspondent

MONTREAL.—The Canadian National System climbed out of the valley of operating deficits earlier this year than in 1922 and at the end of May was $723,310 ahead on five months' operations. At the end of May, 1922, the line was still $2,035,839 in the hole. Allowing for the larger traffic that is bound to develop for the rest of this year, the heavy movements of grain that will follow the bountiful harvests and lower operating ratios as a result of a cessation of floods and storms, the line at the end of 1923 should be substantially ahead of 1922 on operating account. It will still be a long way from paying interest charges.

It is apparent that the Grand Trunk western lines, which comprise the lines in the United States between Sarnia and Chicago, are proving the most profitable of all on the system. While figures for May completely analyzed are not available the figures to the end of April for the constituent portions of the system were as follows:

Four Months Net Earnings

	1923	1922
C.N.R. in Canada	$4,007,175*	$4,322,102*
G.T.R. in States—		
Western	2,737,387	1,100.993
New Eng.	91,126*	106,774
Totals	$1,360,914*	$3,114,335*

* Deficit.

ARGONAUT JOINS GOLD PRODUCERS BY END OF JULY

Shareholders Get Encouraging News Regarding Ore Bodies

From Our Own Correspondent

MONTREAL.—Another Northern Ontario mine will join the procession of producers of gold before the end of the month. President J. H. Rainville told the shareholders of Argonaut Gold at their meeting this week that the first gold brick would be produced by August 1 and that during the autumn the 200-ton mill would get into capacity production.

Undoubtedly the president of the company took a good deal of pride in the report he presented this week. In giving the figures for the annual statement of operations up to December 31 last he added a tentative balance sheet as at May 31 and this indicated that the company had not a single cent owing. The only liabilities are those shareholders in the form of capital stock. The mill and all equipment and leases are paid for and the company has liquid assets to the amount of $92,000.

Advance on Huronia

It was pointed out that advances to la Mine d'Or Huronia, in which the company has a larger stock interest, have totalled $659,887 to date. Before any dividends may be disbursed by the Huronia, Argonaut must be reimbursed in cash for these advances on development account.

Some very rich ore is being encountered, Mr. Rainville said. He stated in this connection:

"It affords me great pleasure to report that splendid progress has been made in locating and exploring new ore bodies which will add many years to the life of the mine. Not only is the quantity satisfactory but the grade is also high. In addition to what had been known to exist, the discovery of another ore body on the northerly extension of the 350 foot level and the proving of its continuity at the 500-foot level are very important developments. This discovery has been found to yield a better grade of ore than that previously developed and is practically free from copper content. This new vein averages $21.00 to the ton on the 350-foot level and $24.50 on the 500-foot level. On both these levels considerable diamond drilling has been carried out. Drill hole No. 2 and No. 13 on the 350-foot level and No. 14 on the 500-foot level show another ore body of great value to exist at a point about 180 feet from the present vein system and disclose values around $20 to the ton.

"The 500-foot level is in excellent shape physically and all ore bodies at this level are known to exist at the upper levels. During the year the ore reserves have been more than doubled. After referring to details of the new ore bodies, and more particularly the lack of chalcopyrite such as was found in some of the earlier discoveries, Mr. Summerhayes* says: 'This development has undoubtedly added greatly to the prospective possibilities of the mine as well as to the actual ore reserves. This work, together with the diamond drill exploration, have improved the prospects of the mine to a great extent.'"

*Maurice W. Summerhayes, Mining Engineer.

New Claims Bought

In addition to the present holdings 40 claims have been acquired to the north of the present properties and 965 acres in the neighborhood of Lake Pelletier in the Rouyn district of Quebec have been taken over.

The balance sheet as at May 31 showed current assets of $83,948 fixed assets, including plant, buildings, mining properties, etc., of $2,593,350; investments of $799,399. In addition the assets side of the balance sheet includes $98,210 on account of expenses to date and $355,620 that has gone into development work.

CLEARANCE AROUND ALL NORTHERN TOWNS

Action Taken To Try And Remove Fire Menace Around All Centres

Work of clearing a large area around all the Northern Ontario centres that might be menaced by forest fires has been resumed. During the winter some work was done but was later stopped and the areas in question, piled high with slash were left in a more menacing state than ever. Now, however, a start is being made to clean this up and complete the whole task.

The government is looking after the work. Where possible the owners will be made to do the work under supervision of government officials. However, the fact that a property owner cannot afford the clearing will not be a bar to removing the menace as the government will do it and then give him time to pay.

Insurance rates at the present time are very high and many companies are refusing to accept risks in the country. The news that the area around the towns is to be cleared may bring more favorable consideration from many insurance companies.

Over 2,000,000 Motor Cars in Six Months

BUFFALO.—At a meeting of directors of the National Automobile Chamber of Commerce, Colonel Charles Clifton, president of the Chamber, stated that a total of 2,029,000 automobiles and trucks were produced in the United States during the last six months of this year. This compares with 1,161,000 in the first six months of 1922, an increase of 74 per cent.

Production in June was 372,000, a decrease of only 5½ per cent. from May.

GRAIN-GROWING FUNDAMENTALS IN WEST NEED ADJUSTING

(Continued from page 1)

garded in view of numerous wheat board controversies.

4. Probable dissociation, from the grain exchanges, of speculative capital; also loss, in exporting circles, of financial means to move the grain.
5. Certainty that transportation and storage capacity for grain will be taxed to the uttermost limits.

The Labor Shortage

Dealing with factor number one, it is only necessary to make cursory survey of the prospects for a bumper crop to realize that more labor than has ever been required in the history of Western Canada will be necessary this year. The unprecedented demand for labor is certain to mean high wages, possibly higher than in 1922 when the scale was far higher than prices for wheat warranted.

Another matter which will materially increase harvesting costs is heavy straw, a factor which causes threshing expense to soar.

Conditions in Europe

Conditions in Europe for the sale of wheat are no more favorable this year than last, in fact, they are less so. Russia is in the export wheat market this year. Italy has good crops and France, from latest reports, will only have to purchase externally about a two months' supply of breadstuffs. The United States estimates a larger exportable surplus than in 1922, and India is likely to be a strong competitor in the wheat exporting market, having rehabilitated the "carry over reserve" always necessary in that country. Australia and the Argentine must also be reckoned with.

Factor number three concerns the producer more than the intermediaries which convey wheat and wheat products to the consumer. The confidence of a large section of the farming population has unquestionably been seriously shaken in existing marketing organization, shaken not because of any serious defects alone, but because of unreserved, unwise and bombastic criticism by those who aspire to lead the agrarians.

Speculations Effective

As regards number four, it is recognized that speculation played an important part this year in staving off a more serious slump in prices. On few occasions during the 1922-23 season did a comparison of Winnipeg and Liverpool prices warrant much export buying in Canada. Many of those who did try to do business in this regard suffered financial loss. In fact, speculative grain buying for export had such generally disastrous results in 1922-23 that private capital has experienced considerable discouragement.

And for the final reason: The railways, by mobilization of all equipment, may be able to handle the situation, but elevators were taxed to capacity last year and this, the prospect is, farmers will have to hold grain on the farms until the congestion clears up. Either this, or dumping. Combined with the labor problem, the matter is serious.

Grain growing is in a state of flux at present. The period is one of transition from abnormal to normal times. Other countries, prevented by war from supplying even their own needs, are again attaining self-sustainment in agriculture. Wheat growing, encouraged by high war prices, seems to have been overdone. Prices have been influenced by many adverse factors and the return to the farmers has been cut, not only by falling off in export demand, but by such thing as the imposition of high import tariffs by the United States, high labor and transportation costs and numerous probes of the grain business and hare-brained schemes touted as remedies or correctives of the adversities with which the grain growers are faced.

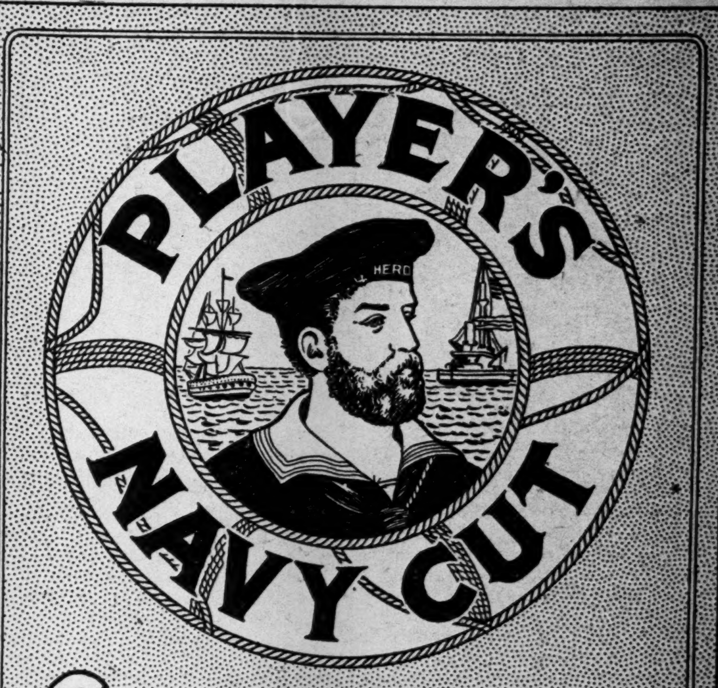
Readjustment Necessary

A readjustment of production seems to be more necessary than a new system of marketing. For Canada to continue a factor in world markets she must gauge the strength of competitive export nations and endeavor to supply a better, cheaper product. With this in view it is questionable if wheat can be grown—except in favorably-situated areas—upon land costing from $50 to $80 an acre, and legitimate profits realized.

Sir Henry Thornton, speaking in Eastern Canada shortly after his arrival to take charge of the Canadian National Railways, said that Canada was in need of industrial capital to provide jobs for immigrants as well as people already domiciled here. Carrying this a bit further, there seems to be plenty of room for the immigrant willing to take up land and be satisfied with making a living, to be comfortable rather than rich.

And is it likely, purely from geographical reasons, that even pooling can offer solution to the present problems of the western farmer? How is co-operation possible between farmers in Manitoba, close to markets and enjoying good transportation facilities, with farmers in Southern Alberta and Saskatchewan, situated many miles from lakes' terminals and hauling their grain 20 to 100 miles to railroads?

To-day a Royal Commission is investigating the whole grain business in Western Canada, and it may be that from this investigation a workmanlike, satisfactory improvement to grain marketing will be evolved. But it seems evident that agriculture can only reach an even keel by development of all branches with nice consideration of the basic laws of supply and demand and with the idea paramount in the minds of those who live upon the land, of gaining a livelihood and not a fortune from that land.



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MONEY, BANKING AND EXCHANGE

MARKETING CROP THE BIG FACTOR IN DOLLAR VALUE

Borrowing in States Also Influence in Exchange

From Our Own Correspondent

NEW YORK. — In discussing the possible course for Canadian funds in New York during the next months or so a leading Canadian banker expressed the view that Canada's ability to market a good wheat crop at a fair price would probably largely determine the course of the Canadian exchange market during the next six months. If the Canadian graingrower was successful in finding a market for the large crop which already seemed to be assured him, the Canadian dollar in the United States could be trusted to look after itself. For a number of reasons he did not believe that the Canadian dollar would again go to par this fall as it did last. Even the successful marketing of the Canadian crop would not bring this about. His main reason for believing that the Canadian dollar in the United States would not improve between July first and November first, to the extent that it did in 1922, he told your correspondent, lay in the fact that the underlying economic relations of the United States and Canada were somewhat different at the end of June, 1922, than they were at the end of June, 1923.

In the first place, according to his view of the general situation, Canadian borrowing in the United States since the beginning of the year has been much less than it was in the same period of 1922. The transfer of the proceeds of Canadian loans made in the United States has not served to support the Canadian exchange market in the United States to the same extent that it did during the first half of 1922.

Trade Position

In the second place Canada's trade position in the United States at the end of June, 1923, was not as favorable to Canada as it was at the end of June, 1922. Canadian buying has been keeping up steadily since the beginning of the year in the face of a falling off in Canadian exports of farm products, a falling off which has been only partly offset by an increase in exports of pulp and paper to this country. This was to be expected, of course, in view of the slow but steady improvement in Canadian business conditions which has taken place during the past half year and the fact that the Canadian dollar has had throughout the same period had a greater purchasing power in the United States than it did during the first half of 1922. Increasing business activity means increased imports in almost all cases, this banker told THE FINANCIAL POST and the improvement in the value of the Canadian dollar had resulted in Canadians buying more in the United States in 1923 than they did in 1922.

C. P. R. Buying Funds

In the third place, he said that it had to be remembered that the influence of these first two factors in the general situation affecting financial and economic relations between Canada and the United States, had not "registered" their full effect in the Canadian exchange market as yet. This was due to the fact that during the greater part of the first six months of the present year, Canadian bankers in New York believed to represent the Canadian Pacific Railway have been accumulating funds to provide for the payment of the $52,000,000 debenture issue the railway management decided to retire on July the 14th instead of one the maturity date in March next. This operation has served to counteract the effect of the growing adverse trade balance against Canada in the exchange market and to make less apparent the effects of the decrease in the volume of Canadian loans floated during the half year in New York.

"In attempting to make a prediction regarding the immediate future of the market for Canadian exchange in New York," this banker pointed out to THE FINANCIAL POST, one must remember that this C. P. R. operation is completed. As a market factor its influence is a thing of the past just as is the support given the Canadian dollar in New York during the past two months or so by the movement of funds toward Canada for account of the Canadian banks preparing for the crop moving season.

New Crop Versus Buying

"Two of the strongest supporting influences have now apparently been removed from the Canadian exchange market in New York, what is to be the effect? Will the influence of the continued heavy Canadian buying in the United States bring about a reaction in the market or will the influence of the crop movement be strong enough to counteract the influence of the adverse trade balance and the virtual cessation of Canadian borrowing in New York?"

Another banker pointed out that the course of sterling in New York was a factor in the situation which could not be overlooked. Britain settles for most of the purchases she makes in Canada through New York. British buying of Canadian funds in the New York market is one of the strongest supporting factors the Canadian dollars in the United States has. If sterling improved British buying in Canada would probably increase. Not only this but Canadian borrowing in London would likely increase as well despite the present somewhat unfavorable position of the London market at the moment. All of which would, of course, increase British support of the Canadian dollar in the United States and tend to improve quotations in the New York exchange market.

Sterling a Factor

"But the future of sterling, in the face of the present situation in the Ruhr," said this man, "is rather uncertain, at least so far as the immediate future is concerned. The trade statistics for June and the first six months of 1923 are none too favorable. Naturally the threatened break between France and Britain is a very disturbing factor. 'Any marked improvement in sterling will have to await some improvement in the relations of the French and British governments. Any attempt to assess the possible influence sterling will have in the immediate future of the course of the Canadian dollar in this country is so far as I can see an impossible task."

Another Canadian consulted by THE FINANCIAL POST pointed out that the future of the Canadian dollar in the United States for the balance of the current year was largely dependent upon the ability of Canada to find a market for her grain abroad. Even the most experienced grain men in the United States, he said, differed widely, as to the amount of grain not only the United States but Canada could sell in Europe. It was yet too early to fix any reliable estimate of the size of either the Canadian or American crops. Further it was quite impossible, so far as he could see, to predict how much North American grain Europe could buy. Everyone knew Europe needed foodstuffs, but how was she to pay for them under present conditions? Last year Germany bought immense quantities of Canadian grain through various American grain exporting houses. So far this year her purchases made in this way had been cut in half. With the French in the Ruhr and the collapse of the Reich almost daily predicted was it to be expected that much Canadian grain would find its way into Germany?

Dominion Borrowing

The possibility that the Dominion government would float a portion of the expected Dominion loan in this market was a factor which yet another Canadian thought was deserving of some attention by any one trying to foretell the course of the Canadian exchange market. A $50,000,000 Dominion loan in New York, this man felt, would do much to counteract the effect of the many adverse factors which he frankly acknowledged were working against any marked improvement in the status of the Canadian dollar in New York.

STANDARD TRUSTS ACTION

Judgment for a sum up to $50,000 was awarded the Standard Trusts Company, against L. V. Kerr, a financial agent at Regina, by a decision handed down by Mr. Justice Taylor. In the statement of claim the plaintiffs allege that Kerr, with others, entered a bond September 12, 1912, to pay the trust company $50,000 with interest at 8 per cent. This bond, it was claimed, was never met.

UNION

J. Fleming, teller in the Oshawa branch of the Union Bank, has been transferred to Dundalk as manager.

O. J. Wood, of Three Hills, Alta., has been appointed manager of the Union Bank at Macleod.

There has been considerable complaint recently from the postal authorities about the insufficient postage on letters addressed to Newfoundland. The correct rate is four cents per ounce, the same as the letter rate to England. revenue was $265,198.

Exchange

NEW YORK FUNDS

	High	Low	Last Year High	Last Year Low
July 12	2 19-32	2 9-16	1 3-16	1 5-32
July 13	2 21-32	2 9-16	1 5-32	1 3-32
July 14	2 11-16	2 5-8	1 1-16	1⅞
July 16	2 13-16	2 11-16	1 1 32	1⅞
July 17	2 13-16	2 25-32	1 1-32	31-32
July 18	2 27-32	2 25-32	31-32	7-8

STERLING, FRANCS AND LIRE

	Sterling Demand	Francs Demand	Lire Demand
July 12	4.58⅝	5.92	4.31¾
July 13	4.60	5.88	4.27½
July 14	4.60¾	5.87¼	4.29
July 16	4.58¾	5.81¼	4.30¼
July 17	4.59⅛	5.83½	4.28¾
July 18	4.59	5.88	4.33

Weekly Bank Clearings

(In comparison with same week last year)

EASTERN CITIES

	July 12, 1923	Change	%
Montreal	$114,807,940+	$16,695,596	17.1
Toronto	99,286,345+	9,766,808	10.9
Hamilton	7,751,067+	1,270,948	19.6
Brantford	1,273,202+	85,691	7.1
Kitchener	1,209,192+	215,034	21.6
London	3,283,688+	282,460	9.3
Windsor	4,564,409+	313,199	17.3
Peterboro'	885,251+	105,057	13.4
Kingston	770,146+	24,054	3.2
St. John	2,837,126—	426,185	13.1
Moncton	1,109,070—	591,156	34.7
Sherbrooke	994,934+	96,934	10.7
Quebec	6,769,276+	785,786	13.1
Halifax	4,070,517+	392,345	10.6
Total East	$249,612,163+	$29,016,571	13.1
Ottawa	7,214,831		

WESTERN CITIES

	July 12, 1923	Change	%
Winnipeg	$ 38,476,340+	$ 706,874	1.8
Vancouver	15,610,722+	1,692,395	12.1
Calgary	4,600,104+	37,774	.8
Regina	3,357,915+	119,656	3.6
Saskatoon	1,545,137—	95,023	5.8
Moose Jaw	1,195,445+	63,768	5.5
Ft. William	839,116+	53,091	6.7
N. Westminster	620,933+	148,010	31.3
Brandon	687,617+	86,622	14.5
Lethbridge	812,477+	336,633	70.7
Med. Hat	209,453—	53,274	21.0
Prince Albert	316,073—	55,265	14.9
Victoria	2,276,793+	279,459	13.9
Edmonton	4,476,578+	636,797	16.5
Total West	$ 75,024,703+	$ 3,957,517	5.5
Grand Total	$324,636,866+	$32,974,088	11.3
Yr. to date	$8,865,785,454—	$68,238,015	.8

NEED FREE STUDY OF SOME DETAILS OF BANKING PLAN

Looking Back of Bank Act Revision Through Eyes of an M. P.

From Our Own Correspondent

MONTREAL.—Amid a furore of public excitement, inflamed by the Merchants Bank affair and the conditions of the farmer, a committee sat to revise the bank act. They revised it and made some important changes but the broad structure of Canadian banking remained the same. The changes made were minor, when viewed as part of the whole banking system, although a larger significance may develop for them as experience shows their true working. All sorts of plans were suggested for "improving" the banking and credits situation in Canada and almost all were cast aside. It was more a confirmation than a correction of the plan of banking now in force that was staged at Ottawa during those interesting weeks.

One who sat through all the sessions put it this way: "We studied everything and opened our ears to the offerings of all who desired to come. And then when we looked things over we realized that Canada has an excellent system of banks and banking and a system that is the product of historical development rather than arbitrary experiment. And in the face of these facts we could not do much. Most of the things that were essential to a strong credit structure were already there." He recalled the fact that Canada is not a young country in banking; that the banks of this country have been developed through as long a period of actual practice and experience as the banks of the United States and many other countries. We have not had to find the historical background for our experiences elsewhere.

That, then, is the first and most important thing that the Bank Act Revision procedure brought out and in the opinion of the same member of the committee the second thing that was shown was a lack of intimate understanding by the public generally and perhaps by a number of bankers of the real reason why some conditions exist. That is: while the banking system as a whole and in most of its component parts has developed soundly, there are spots where it is open to suspicion by some classes of the community. Perhaps these places are sound enough but there is a lack of evidence to show whether they are or are not. For instance there is the question of interest rates in Western Canada. Such a practical banker as S. H. Powell of the Weyburn Security Bank was able to show that interest rates were justified by the cost of doing business. Yet the man who pays 10 per cent. for a loan will require a lot of convincing that it is justified. The committee recognized that here was a problem to work out but that could not be worked out in a few weeks of inquiry. Enlarged study would be necessary to disclose a remedy for a situation where 10 per cent. has to be charged on loans, even if on but a small proportion of loans. This was one of the subjects that should be studied by bankers and others interested over a term of years to shape the further development of the banking system in such a manner to wipe out such causes of ill-feeling between banker and borrower.

The committee found themselves at sea too in considering whether or not to open the way for smaller local banks with a capitalization of, say, $100,000 instead of the $500,000 subscribed and $250,000 paid up that is now required. There was a mass of literature on the subject and any number of witnesses offering largely of biased opinion. In refusing to allow the smaller banks, the committee was not wholeheartedly supporting the present plan but rather dodging an issue it felt unable to tackle. Here again it was a question that required more unrestrained treatment: study over a long period by disinterested students.

The proposal for a bank of re-discount for Canada did not receive the attention from the committee that had been expected. Canada admittedly is not acutely in need of further agencies for re-discounting. Under the Finance Act the banks can, when they require to liquify their position, get advances from the Dominion government and these advances take the place of a bank of re-discount to a certain extent. The finance act has worked well, it is generally felt, in this and other provisions and has been of value to many of the banks.

Moreover, Canada, by the very nature of its banking arrangements has not the same need for re-discount that called into being the Federal Reserve System in the United States. In that country there was little mobility of credit between one part of the country and another. In Canada with its branch banking system money moves freely from centre to centre where and when required. True there is a need for supplementing this freedom of movement to some degree, but it requires further study to decide whether a bank of re-discount or the present scheme of working through the government is the proper solution.

Finally, in summing up the impressions that remain after weeks of dissection of so many financial and banking problems, this member of the committee points out a place where he thinks the banks have fallen down. They have not attempted, he believes, to educate the general public, the great mass of citizens, as to the real meaning of the Canadian banking system. They have always put forth strong arguments for a continuance of the status quo whenever the Bank Act came up for revision and they have always felt a bit hurt that the general public was so suspicious of their operations generally. But, says this M. P., it would be far better to adopt a more generous policy of warming up to the general public; of exchange and interchange of views with leaders of other lines of activity of more publicity of an enlightening nature. And he added: "The big bankers would learn just as much from the public by such a policy as the public would learn from them."

ANNEXATION TALK TAKEN SERIOUSLY IN UNITED STATES

Tendency is Evident to Capitalize Complaints Heard

From Our Own Correspondent

NEW YORK.—American business men with interests in Eastern Canada have been making much of the discontent they have recently encountered in the rural sections of Quebec and the Maritime provinces. Several substantial American business men of this type have told your correspondent during the past month that they were convinced that "annexation sentiment" was increasing in Canada and that it was only a matter of time before the Dominion would become a part of the United States.

Writing in the current issue of the United States Investor, A. G. Sclater attempts to make it clear that annexation to the United States is a thing very few, if any, Canadians desire. He advises American business men and investors who hold the contrary opinion to watch the proceedings of the Imperial Economic Conference if they demand proof that Canada is thoroughly British and expects to remain so. The Imperial Conference, he believes, will make it clear that Canada is to continue to form an integral part of the British Empire, politically and economically.

"It may unhesitatingly be said that the talk of 'annexation' which some Americans living near the international border have made much of during recent months, may be dismissed as the desire of only a few and these mostly recently arrived Americans. As most Americans know who have recently travelled through the Canadian Maritime Provinces of New Brunswick and Nova Scotia, the agricultural depression and the Fordney McCumber Tariff has hit the farming population of these two provinces two particularly painful blows. The fishermen-farmers of Nova Scotia have lost both the American market for their fish and their farm produce; the farmers of New Brunswick no longer find the profitable market for their potatoes in the New England States that they had before Mr. Fordney invented his tariff law. When one superimposes upon this situation high taxes and high prices for all that a primitive population buys, one can readily understand the discontent that so many Americans have encountered and commented upon in this part of the Dominion. The matter is made no better by the proximity of the American border. Many of the disgruntled Canadians are as much at home in the United States as they are in Canada; they can easily compare prices of agricultural machinery and farm products; they can plainly see that the American farmer gets more for his produce and pays less for the things he must buy. It is clear to them that his taxes are on the whole much lower than they are across the border in New Brunswick. Is it surprising that there is much talk of 'annexation to the United States' and that Canadian farmer boys have been flocking into New England from Canada?"

A Great Sight in West At Harvest is Foretold

MONTREAL. — Two experienced crop observers who annually make personal tours of inspection of the West at this time are W. A. Black, vice-president of Ogilvie Flour Mills, and Grant Hall, vice-president of the C. P. R. They have both returned from extensive tours of investigation along the prairies and confirm official and semi-official crop reports of a buoyant nature.

Says Mr. Hall: "In the long term of years in which I have watched the development of the grain crop I have never been quite so enthusiastic about the prospects. For uniformity and fine growth it is a great sight and unless some unlooked for calamity overtakes the country there will be a great sight at harvest time."

Mr. Black estimated that the largest wheat crop in the hisotry of the Northwest is likely to be garnered, from 400,000,000 to 450,000,000 bushels if the crop as it now stands is harvested without damage.

THE OIL AGE AT SEA

Out of a world's tonnage of 42½ million tons gross in 1914, 3 per cent. used oil fuel, as against 28 per cent. for a world's tonnage of 62,000,000 in 1923, states Cull's Financial Review. The number of ships using oil fuel either under boilers or inside internal-combustion engines has increased from 650 in 1914 to over 4,500 in 1923, which may be taken as a practical proof of the many advantages which accrue from the use of liquid fuels. Some of the vessels fitted for oil firing have their equipment arranged to use either coal or oil, thus giving them a choice of fuel, depending on the trade route,—i.e., the relative cost of coal and fuel at their ports of calling.

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NEWS AND VIEWS FOR MANAGERS

NEW SALARY AND PENSION POLICY NEW YORK BANKS

Greater Efficiency in Staffs Is Being Demanded At Present

A new salary and pension policy is being considered by the big New York banks. According to an obviously inspired announcement which appeared in the New York newspapers, some 20,000 New York bank employees are to be affected by the big banks' new policy, a policy which will involve the virtual abandonment of the "bonus system," increases in pay amounting in thousands of cases to as much as twenty-five per cent. of the employee's present salary, and the inauguration of carefully planned pension systems, similar in many ways to the system used in all the Canadian banks. While naturally this radical change of policy on the part of the New York banks will be an immensely important thing to the thousands of bank employees in New York City, the fact that the backers of the new policy among the New York banks believe that it will eventually be adopted by all the big banks in the United States, makes the change of even greater importance to the country as a whole.

Those who are in a position to know assure your correspondent that the New York banks in making this very important move are not actuated purely and simply by philanthropy. They have been in most cases forced to endorse the new policy in self protection. For it appears that after the debacle of 1920, many of the big banks not only cut their staffs "to the bone" but dealt with the salaries of the remaining members of their organizations with an equally drastic hand. Bonuses, the members of the bank staffs had all through the war years been accustomed to receiving at the end of June and at Christmas, were dropped. Employees, skilled men and women all of them, who had managed to struggle along with their pre-war salaries because they received these bonuses regularly, were at once in difficulties. Wartime prices and pre-war salaries could not be made to match; more expensive habits, thanks to the war-time bonuses, had been developed to make matters worse. Thousands of employees, many of them bank men for many years, left the banks and sought employment elsewhere. The labor turnover in the big banks grew to proportions which would have changed the hair of the superintendent of a Canadian bank grey in a fortnight. Skilled bank men within a relatively few months were at a premium with the result that competition between the banks began. Business was expanding—this was early in 1922 remember—many of the banks had gone too far in cutting down their organizations in their panicky desire for economy and most of them found it quite impossible to handle their increased business with the men and women still in their employ. To make matters worse, from the point of view of those in charge of the personnel of the large banks, toward the end of 1922, many new banks opened in New York City and caused a further drain on the dwindling supply of bank employees blessed with any experience.

To Meet Conditions

The result of all this has of course been badly impaired efficiency on the part of many banks and in some cases unfair salaries to men and women who were newcomers, from the point of view of the men and women who had stuck to the banks through the war and post-war years. Incidentally, of course, the competition for employees made the market rate for skilled men higher than it has ever been. It became more profitable from the bank clerk's point of view to change his job than to stay with one institution any time. There was always the chance that he could get more money by changing his job than by staying long enough in one bank to learn its methods. Clerks got into the habit of changing their jobs every few months. This was in most cases profitable to them and to the dozens of employment agencies which sprang up almost overnight to find them new positions. But it made it almost impossible for many of the banks to operate some of their departments efficiently. The clerks changed so often that it was almost impossible to teach them to handle their respective jobs properly.

A secondary effect of this situation was of course to further increase the discontent among the old employees of the various banks. If the newcomers were given relatively such high salaries when they entered the various banks why should not the old hands be given proportionate increases of pay?

Broadly speaking this is the situation the new policy of the New York banks is designed to cure. The cure is to be effected by first of all eliminating the bonus system of payment, a system which grew up to compensate bank employees, in the face of a rising cost of living, for the low salaries they had been receiving all through the war years.

SAVINGS IN THE UNITED STATES

Continued increase in the savings of the American people is indicated by the latest national compilation just completed by the Savings Bank Division of the American Bankers Association. Savings deposits in banks and trust companies of the United States were reported at $17,300,000,000, June 30, 1922, the last available nation-wide figures, as compared with $16,620,000,000, June 30, 1921. This is an increase of $680,000,000 or 4.1 per cent.

A Retentive Memory Aided This Teller

A retentive memory is an efficient aid to the success of any bank. Recently a teller in a small Maritime provinces branch, was asked to cash a check for $100. The check was apparently bona fide, and the individual who offered the chcek appeared to be the right party. He had cashed a number of checks at the bank, and was quite well known in a casual way to the teller.

However, a sub-conscious spirit within the teller induced him to act cautiously. He then remembered that the man to whom the check was made out had all fingers and thumbs intact. On scrutinizing the fingers and thumbs on the hands of the person in front of the box the teller saw that one of the fingers was minus the first joint.

After noticing this, the teller also saw other discrepancies in the appearance of the man to whom the check was made payable and the man who presented the check at the window. He asked the man to wait a moment, as he carried the check into the manager's office. However, the individual became frightened and fled. The teller, on utilizing the telephone, found the man was a brother of the owner of the check. The brother was a worthless fellow who planned on leaving the city with the $100.

Fail to Stop Bank From Selling Hail Insurance

Some criticism of the fact that the Weyburn Security Bank has been conducting a hail insurance business, resulted in a consideration of the situation by the House of Commons. An amendment was finally passed prohibiting the bank from underwriting hail insurance, but it was defeated in the Senate.

While other banks do not sell insurance, the correspondence discloses the facts that 37½ per cent. of the bank's proceeds came from this branch of its business. This class of insurance is of comparatively recent origin, but the requirements of the insurance department provide for a heavy initial deposit from companies assuming such risks and a reserve of 50 per cent. of the premiums against future losses. Consequently, the bank, as an underwriter, is in little danger of becoming involved in losses which would materially affect its credit. Moreover, its business is carried on in a district where hail insurance is popular, and by selling hail insurance it is rendering a distinct service to its patrons.

New Cheque Tax Rule After August 1st

On and after August 1, one dollar is the maximum amount of tax payable on cheques, bills of exchange, receipts for money paid to a person by a bank chargeable against a deposit of money in the bank to his credit, express money orders, travellers' cheques or post office money orders.

On and after October 1 postage stamps may not be used in payment of stamp taxes for revenue purposes. Excise tax stamps only may be used, and they may be bought from any collector of customs or any bank.

The tax on receipts makes taxable receipts for $10 or upward on post cards, form letters and letters, and this comes into force on and after August 1. The amendment to the act also provides that a receipt liable to the tax shall not, except in criminal proceedings, be given in evidence or be available for any purposes unless it be duly stamped in accordance with the law.

More Bank Branches Are Being Closed

The Canadian chartered banks report a net loss of seventeen branches during the month of June, when there were thirteen new branches opened and thirty closed. Six of the new branches were opened in Cuba, the Royal Bank opening five and the Nova Scotia one. The Bank of Montreal closed eight branches, the Union five and the Nationale and Nova Scotia four each. Following is a list of the branches opened and closed during the month:

OPENED

Hochelaga—Ste-Madeleine, Que.; Cartier, Que.
Imperial—Crystal Beach, Ont., (sub to Ridgeway).
Nationale—Stadacona, Que.
Nova Scotia—Ofinos Street, Havana, Cuba: Albany, P.E.I.
Royal—Britannia Beach, (sub to Vancouver): Guanabacoa, Cuba; Union de Reyes, Cuba; Vueltas, Cuba; Yaguajay, Cuba; Zara del Medio, Cuba.
Union—Brule, Alta.

CLOSED

Commerce—Niagara-on-the-Lake; Grand Bank, Nfld.; Sedgewick, Alta.
Hochelaga—Laverlochere, Que., (sub-agency).
Home—Sarnia.
Montreal—Embro, Ont.; Baie St. Paul, Que.; Greenspond, Nfld.; Itnua, Sask.; Hubbard, Sask.; Clinton, B.C.; Keremios, B.C.; Twelfth & Granville Sts., Vancouver.
Nationale — Peribonka, Que.; Sully, Que.; Les Etroits, Que.; St. Barnabe-Sud, Que.
Nova Scotia—Bonne Bay, Nfld.; Borden, P.E.I.; Burgeo, Nfld.; Ponce, Porto Rico.
Provinciale—Riviere St. Andre, Que.
Royal—Ashcroft, B. C.; Cloverdale, B. C.; Rodas, Cuba.
Union — Jansen, Sask.; Sandy Lake, Man.; Solsgirth, Man.; Waterways, Alta.; Canboro, Ont.

AMENDMENTS TO THE BANK ACT TO AFFECT BUSINESS

Changes Drawn to the Attention of the Manufacturers

From Our Own Correspondent

Following are the clauses of the new Bank Act to which the attention of the members of the Canadian Manufacturers' Association has been directed as being of the most importance to business interests:

Mortgages as Additional Security

Section 80—The first part of this section has been rewritten and now reads as follows:—

"80. The Bank may take, hold and dispose of:—

"(a) Mortgages and hypotheques upon real and personal, immovable and movable property; provided, however, that no mortgage or hypotheque shall be taken, held or disposed of in respect to, or be deemed to include, any personal property which, at the date of the coming into force of this Act, is by any statutory enactment exempt from seizure under writ of execution.

"(b) The right of vendors or purchasers under agreements for the sale or purchase of real and personal, immovable and movable property by way of additional security for debts contracted to the bank in the course of its business."

Section 84—This section empowers the bank to lend money upon the security of standing timber, etc. It is now required that the instrument evidencing such security be registered against the land upon which such timber stands or in the offices in which are recorded such rights or licenses.

84a—This section deals with loans to a receiver or liquidator under the Winding-up Act. Loans may now be made also to a trustee under the Bankruptcy Act.

Warehouse Receipts

Section 88—Several changes are made in this important section. Regarding loans on the security of warehouse receipts and to farmers on the security of threshed grain, the previous law stated that wages or salaries owing for a period not exceeding three months should come ahead of the bank's claim. It is now added that any claim by an unpaid vendor of or in respect to such products, goods, wares and merchandise to the amount remaining unpaid, shall also be a prior charge.

Registration of Lien

Immediately following Section 88 is a new Section, reading as below:—

"88a—Any person intending to give a bank security under the authority of section eighty-eight of this Act must give notice of such intention before any loan is made by the bank to such person and the security taken, by signing a document which may be in the form set out in Schedule F to this Act or to the like effect. Such document shall be registered in the manner hereinafter provided, and, after this section comes into force, any security subsequently taken under the authority of section eighty-eight of this Act before such document is registered, shall be null and void as against the creditors of such person and as against subsequent purchasers or mortgages in good faith. A notice of intention when registered shall be deemed to be notice for the purpose of this section in respect of all securities taken by the bank from such person, under said authority, during the period of three years after the date of registration.

"2—The document mentioned in the last preceding sub-section shall be registered in the office of the Assistant Receiver General (hereinafter called the Assistant Receiver) in the province in which the place of business, or principal place of business in case the person has more than one place of business, of the person is situate. If the person has no place of business, then the document shall be registered in the office of the Assistant Receiver in the province in which such person resides. 'Place of business' and 'principal place of business' shall, in the case of a company incorporated in Canada, be deemed to be the place where the head office or chief place of business of the company is situated, or if a foreign corporation, then the place shall be the place at which civil process in the province in which the loan is made can be served upon the company. 'Assistant Receiver' in this section includes anyone acting for the Assistant Receiver.

Assistant Receiver's Duties

"3—The Assistant Receiver shall number consecutively every notice received by him and shall endorse thereon the number and the hour and date of receiving it, and shall file the notice and enter, in alphabetical order, in a book to be kept by him, the name of every person who has given notice of such intention, with the number endorsed thereon opposite to each name. The Assistant Receiver shall endorse over his signature on a copy of the document, to be supplied by the bank, for the records of the bank, the date of registration and number, and the production of the copy with such endorsation and signature shall be conclusive evidence in all courts of the registration and of the time of registration as thereon endorsed.

"4—The notice of intention may be cancelled by the Assistant Receiver in the book containing such registration at the place where the registration is entered on receipt by him from the bank named in the document registered of a certificate duly signed on behalf of the bank to the effect that each and every security under section 88 given to the bank by the person has been released, or that no security was given to the bank, as the case may be, and such certificate shall bear on the face thereof the number and date endorsed on the original document on file in the office of the Assistant Receiver. The Assistant Receiver shall number consecutively every release received by him and shall endorse thereon the number and the hour and date of its receipt and shall file the release.

"5—Every person, upon payment of the proper fees, shall have access to and be entitled to inspect the registration book and any document registered or filed pursuant to this section.

"6—For services under this Act, the Assistant Receiver shall be entitled to the following fees, for which he shall be accountable to the Consolidated Revenue Fund:

"For registration of each notice and endorsation of copy over signature, 25c.

"For production of registration book for inspection, 25c.

"For production of any notice for inspection, 25c.

"For registration of each certificate of release, 25c.

"7—This section shall come into force on the first day of August, nineteen hundred and twenty-three."

Rate of Interest and Discount

Section 91—This section deals with the rate of interest charged by the bank, not exceeding 7 per cent. A new sub-section 4 is also added, reading as follows:—

"91 (4). No bank shall directly or indirectly charge or receive any sum whatsoever for the keeping of any accounts unless such charge is made by express agreement between the bank and the customer."

Section 96 (4)—An attaching or garnishee order or summons shall only affect and bind moneys to the credit of the debtor at the branch, agency or office of the bank where such order or summons or notice thereof is served."

Subsidiary Corporation. Section 113.

"6—Whenever a bank carries on any part of its operations in the name of a corporation controlled by such bank, then such bank shall, for the purposes of any return required under the last preceding section, transmit or deliver therewith a separate return, showing the assets and liabilities of each such corporation, and the interest of the bank in such corporations shall be shown separately in any return respecting the affairs of the bank.

"7—Whenever a bank has appropriated, out of its profits for any period, with the consent and approval of its shareholders had and obtained at any annual or special general meeting, any sum for the writing down of its bank premises or other assets, no portion of such sum so appropriated shall be again taken into account for the purposes of any return required under the last preceding section, or for the purposes of any statement prepared and issued by the bank, without the consent and approval of its shareholders, in like manner first had and obtained.

"8—For the purposes of any return provided for or required under the last preceding section, the 'Appropriation Account' shall be the total amount estimated or ascertained to be necessary to provide for losses, due to any cause whatsoever according to the latest information which can be made available therefor."

Bank Must Give Deposits to Trustee

WINNIPEG.—Holding that a bank must turn over to an official trustee all deposits made by a bankrupt firm, even although the concern owes money to the bank, Mr. Justice Galt gave judgment against the Dominion Bank for a full claim of $105,000 with interest and costs, made by Salter and Arnold, trustees for D. Coughlin and Company, a commission firm which failed several years ago.

An appeal will be entered by counsel for the bank and a stay of execution was granted pending decision of the court of appeal.

D. Coughlin and Company went into bankruptcy in 1921. During the active life of the firm it had deposited $105,000 from the proceeds of cattle sales made on behalf of clients. Advances to the firm had been made by the bank on various occasions.

When the failure came the trustees asked the bank to hand over the deposits for distribution to creditors. The bank refused to pay the money, claiming it had the right to refuse under the Bank Act.

COMMERCE

The Leamington branch of the Canadian Bank of Commerce, was closed on the 15th.

WEST ASSURED OF BEST CROP IN MANY YEARS

(Continued from Page 1)

estimated wheat acreage of something like a million and a half acres the great bulk of the wheat crop is in splendid condition. It is somewhat late, I would say fully ten days later than last year, though it was got in somewhat earlier, but the weather has been cool and moist and the growth has been steady but not rapid, with the result that stooling is remarkably heavy, root system good and the color of the plats a rich dark green. The fields vary from a few in blossom to those just emerging from the shot blade.

The crop in this respect reminds me very much of the crop of 1915. I made just about the same territory within possibly three days of the same dates in that year, and anxious souls, myself among the number, when the days kept cool and often wet, wondered if the lush crop not then all headed out could have time to mature. But it matured to the tune of an average of 31 bushels to the acre and, while allowing for hail damage, I doubt the average running so high this year by some bushels, there is little doubt that the present crop will mature as satisfactorily.

Oats are late and only some dozen fields were seen in head, while very many are barely in the shot blade. It has been rather cool for corn and though there are larger acreages this year than usual it will take it all its time to make a good silage crop unless the growth from now on is much more rapid than it has been.

Speaking broadly of the territory covered, winter rye is not very satisfactory and over considerable areas it will hardly pay for cutting. A number of the farmers spoken to said there was not enough moisture left by rains last fall or from winter snows to start the crop growing this spring and that Russian thistle and other weeds got a start first. There was also some winter killing; this, I fancy, was relatively small, but it is noticeable that on nearly every rye field, especially in the extreme south, where the rye is poor, there is a thick mat of Russian thistle from six to eight inches high at the bottom of the crop.

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Mining Stock Quotations

Week Ending July 17.

	High	Low	Close	Sales
Atlas	6	5¼	6	16500
Baldwin	10	7	7⅛	34500
Beaver	32¾	31	31¾	7150
Bidgood	8¾	8¼	9⅝	27000
Buckingham	8½	7½	8½	5000
Castle Trethewey	24	23¼	24	19000
Beatty	15	—	—	200
Coniagas	2.60	2.40	2.60	796
Crown Reserve	57	55	56½	10300
Cons. Smelters	24¾	25	25	526
Cons. West Dome	28	26¾	27	40500
Clifton	18½	18	18	29000
Dome Mines	36.75	35.25	36.00	544
Dom. Kirkl'nd	2	—	—	4500
Gifford	⅞	—	—	500
Gold Reef	2¼	—	—	1000
Goldale	59⅞	56	56	10800
Hattie	28¼	26¾	27	28400
Hillcrest, pref.	90	—	—	5
Hollinger	12.45	11.75	12.05	3982
Hunton	10½	10	10	9500
Keora	11	10	10	8100
Keeley	1.74	1.65	1.71	2950
Kirkl'nd L'ke	32	31½	32	3000
La Rose	29½	—	—	1000
Lake Shore	3.40	3.30	3.32	2600
Lorrain	17½	16½	17½	27500
Montreal, Ont.	50	40	40	7700
McKinley	18	17	18	8500
McIntyre	17.95	17.30	17.30	1815
Mining Corp.	2.20	2.15	2.15	700
Moneta	21¾	20	20½	14500
Newray	42	40	41	4010
Nipissing	5.75	5.25	5.30	460
Ophir	2½	—	—	10000
Peters'n L'ke	10¼	10⅛	10¼	3000
Porc'pine Cr.	11½	10	11½	14000
Preston E. Dome	11¼	10½	11	5500
Teck Hughes	1.40½	1.30	1.32	59500
Timiskaming	38½	38	38½	450
Thomp. Krist	5	4½	4½	8000
Trethewey	4	—	—	2000
Vac. Gas	2½	—	—	6500
Vickers	36½	34	36½	16500
Vipond Cons.	62	58	62	29833
Wakenda	5	4⅞	5	4500
Wasapika	6	5½	6	19500
West Tree	9¾	8½	9¾	32500
Wettlaufer	8	7	7	2000
Wright Hargreaves	3.20	3.15	3.20	200
New York Prices				
Inter. Nickel, com.	12½	12¼	12⅜	—
McIntyre	16⅞	16⅝	16⅝	—

THE FINANCIAL POST

Member of the Audit Bureau of Circulations.

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A weekly newspaper, presenting in a popular manner, reliable information respecting investments and financial affairs in Canada.

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THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER.

TORONTO, JULY 20, 1923

Edited for the thinkers of the nation—those people who analyze correctly and draw proper conclusions and who are responsible for the Nation's sound thought on matters political and economic.

NO NEED TO BECOME HYSTERICAL

SINCE the bringing down of Mr. Fielding's unbalanced budget thinking people throughout Canada have been seized of the fact that it is a serious matter that, with a heavy war debt, and a transportation investment entailing large interest obligations, we are not paying our way but are meeting current expenses by further borrowing. THE FINANCIAL POST immediately called attention to this phase of the budget, while the political press was discussing the tariff, sales taxes, etc., and has since been emphasizing the necessity for curtailment of national expenditures—rather than further increases in the already terrific tax burden—to meet the situation.

But it is questionable if it will do any good to become hysterical about the situation, as the Montreal Star has obviously done in its dramatic article headed "THE WHISPER OF DEATH." According to the Star the big business men and financiers are whispering that it is all over with Canada but the funeral and the reader is allowed to imagine them in the role of pallbearers. There are bald statements about selling out to the United States which smack of the political flag waving which has in the past been used to discourage business and financial relations with our neighbors.

If the effect of the Star's appeal is to arouse public opinion to the necessity for curtailment of public expenditures and to urge our big business men to enter public life, it may be justified, but it is questionable if this will be accomplished by hectic, hot weather talk about sacrifice and martyrdom. Canada is a wealthy country. It is doubtful if even in the United States the average individual has more of the comforts and luxuries of life. Our national wealth has been heavily mortgaged, and to continue to borrow recklessly might easily bring bankruptcy—but we are far from that.

All that is needed is that we should curtail expenditures until the budget balances, place the tax levy to raise the necessary revenue on an equitable basis and give business and business men an opportunity to develop the country's resources. This involves the adoption of business principles in public affairs and we join the Star in urging that the country's big men should enter public life with this end in view.

THE C.M.A. ADVANCES

LLOYD HARRIS, Canadian Trade Commissioner to Europe, stated some time ago that the weakness in Canadian manufacture was inferior quality and poor service. That was why European buyers refused to repeat orders. THE POST has been saying the same thing for a long time, and when we said that the C.M.A. should impress forcibly on its members the need for quality and good service, the pinheads in the association became abusive and had published in Industrial Canada an official criticism of THE POST. The C.M.A., now under more enlightened control, has changed its tone, and has issued a bulletin in which "right quality and prices" are advocated. The campaign for "Produced in Canada" goods cannot be pressed home on the public too strongly, and all real Canadians do feel a real sympathy with this policy. Their complaint is that sometimes when they get Canadian goods the quality is wrong and the service bad.

Some of the most active members of the C.M.A. themselves buy foreign goods in preference to Canadian, for the same reason, while others cannot get the British idea of quality before everything else. The C.M.A. would be doing greater service by lecturing its members rather than the public, and taking up with the members every complaint against their goods. As a matter of fact, one of the most prominent officers in the association to-day proposed at a meeting of his own branch of trade that to meet competition and to make bigger profits they should turn out an inferior article.

The best quality and the most conscientious service made Britain famous in the world's markets. It was not until Germany insisted upon the same policy that her manufacturers began to secure a permanent foothold.

WHY NOT START OFF RIGHT?

WITH a new government in power in Ontario, a brand new provncial treasurer and a provincial finance commissioner also to be appointed, there could not be a more opportune time for Ontario to scrap its present accounting systems and install methods in line with enlightened public finance.

A start might be made with the public accounts, which are so heavy literally that they are a physical burden and so heavy figuratively that they induce more to sleep than to study. They tell all about the money the province has spent and they work in the names of every farmer who sold a load of hay to the provincial asylum but they do not reveal the exact financial position of the province nor do they present statistics capable of comparison; comparison either with reports of other years or with reports of other provinces.

The former provincial treasurer introduced some reforms but it may as well be admitted that they did not amount to very much and were not worth all the pride the farmer government felt in them. The new provincial treasurer, if he puts the accounts on as clear-cut and definite a basis as the accounts of, say, British Columbia, can take all the credit to himself and with the credit will go the gratitude in extenso of taxpayers, investors and inquisitive statisticians.

"A new broom—." Let us hope it will sweep the dust out of this corner.

COMIC OPERA FINANCE

THE daily press continues to give columns of space to Chester and Clayton-Kennedy concessions in Anatolia. The latest story is of a gigantic battle between the two factions over what is called a $2,000,000,000 concession which requires $300,000,000 at once to initiate the enterprise. The $25,000,000 order for agricultural machinery which would come to Canada if we would show more interest has, it is said, been abandoned.

Anatolia and its resources are not as important as one of our little remote, unexplored districts of Canada and the absurdity of these figures will at once be apparent.

BIG PROFITS ON HISTORICAL INVESTMENTS

THE municipality of Stratford-on-Avon, Shakespeare's home town, makes over $200,000 a year by way of small admission fees to his birthplace and other points of interest. In addition to that, much more money is made by the hotels, which are constantly filled with visitors, many of them being wealthy Americans and Canadians who spend very freely. All the tradesmen who sell souvenirs do an enormously profitable business. Then there are thousands of daily trippers who spend money.

In Canada we have a number of similar historical and other novel features which can be turned into money—all "found" money or "velvet" as the promoters say. This is already being done in some places by proper organizations which give visitors a big welcome, and extra value for their money. Such work must be directed by successful men, not by glib-tongued advertising fakers.

INQUIRY AND INVESTMENT

SMITHS FALLS is one of the progressive and enterprising Canadian towns which has had visions of becoming little Manchester through the encouragement of new industries. Like a number of other towns imbued with the same ambition, Smiths Falls has proven an attractive stamping ground for smooth promoters who found citizens who, in their carefully aroused enthusiasm, were willing to put up their money without making pertinent enquiries regarding the propostion. The following is from the Smiths Falls News:

> It is now about a year ago since a few strangers of suave manners and oily tongues came to Smiths Falls and began to promote a certain industrial enterprise which was never brought to fruition, although the promoters accomplished their purposes fully. It will be recalled that among the persons given employment by these promoters were a chemist and an accountant, both of them from across the Atlantic and both educated and accomplished. It is now learned that both of these young men before being "engaged" by the so-called company were asked to take stock to the extent of $500. Indeed their taking of stock to that extent was a sine qua non. Each put up $500, making "a cool thousand" between them, which represented the sum total of their ready cash, and when the promoters left town they, like Lord Ullin, "were left lamenting." They were fleeced in a particularly heartless manner, although the robbery of them was perhaps no more cold-blooded than the victimizing of sundry other persons in town, several of whom, like the chemist and the accountant, were required to subscribe and pay a certain amount of stock in order to get a job. The whole thing was nothing less than a crying shame, even as it will also be a crying shame if the perpetrators of the fraud are not apprehended and arrested and sent to Kingston for several years each. There is, of course, such a thing as legalized robbery, but such robbery as occurred in Smiths Falls during summer days of 1922 cannot really be within the law. One of Dickens' characters says "the law is an ass," and we have all thought it so at times; still there are limits to its queerness. If the infamy under discussion can be perpetrated with impunity, Canada is in one respect like unto that region somewhere east of Suez, of which Kipling writes and of which Bill Purcell sings, "Where there ain't no Ten Commandments." The victimized persons in Smiths Falls should form a league, each one entering it to subscribe $5 or $10, and thereby create a fund to finance proceedings against certain brazen rascals, either through process of law or otherwise. Any reputable private detective agency could soon locate the men wanted. One is said to be in Montreal; the others are believed to be scattered throughout Ontario.

Legislation has been proposed to prevent the loss of money in such enterprises, but it would seem to be a very difficult thing indeed to prevent people from playing into the hands of smooth promoters. This would seem to be a case where an ounce of education is better than a pound of prevention.

EDITORIAL NOTES

ASSURANCE that Greece will pay her debt to Canada "with every regularity" in the future, has been given to High Commissioner Larkin. We believe that so long as Mr. Larkin is High Commissioner, confidence will be felt that the assurance will be lived up to.

* * * *

THE MONTREAL STAR says that Canada is not getting immigrants because of the high taxes and points out the serious fact that the national debt is being increased; a budget that will balance is demanded. The Toronto Globe says that the only way to get immigrants is to build more railways—and add further millions to the debt. When the Globe statement shows a deficit does the management add some new, expensive editorial features in the hope of getting a new subscriber or two? Or is not the policy to curtail unnecessary expense and try to get more business with the available facilities?

THE LADDER-HOLDER'S STRIKE.
—(Chicago Tribune).

Accepting U. S. as Our Banker

Canada's Open Door Policy for Capital Extends a Welcome to American Dollars for our Development—Will John Bull Again oust Uncle Sam as Dominion's Financier, as in Pre-War Years

By J. H. HODGINS

Canada's acceptance of Uncle Sam as her banker in place of John Bull is based upon the Dominion's policy of an open door for capital. When the vicissitudes of war compelled Canada to do her financing elsewhere than in England, America was found ready and willing to finance this country—as witness the $2,500,000,000 which Canada has secured from her neighbor.

"American capital is welcome in Canada," the assurance of the Winnipeg Tribune appears to reflect the view of the Canadian press. Intolerance may exist among many Canadians towards reciprocity as applied to commerce, but not as applied to dollars. "The Canadian field is open to the capital of every country," as the Montreal Gazette outlines our cosmopolitan outlook.

Why does this great flow of American capital to Canada continue? The Winnipeg Tribune declares that it is because American financiers have complete confidence in Canada and are backing it with their money, because "American financial and industrial leaders see Canadian conditions more accurately than Canadians themselves." The Minneapolis Journal gives the reason that "American investors are still wary of putting their money into foreign ventures even British ones, whereas they feel no such hesitation regarding Canadian opportunities."

It is entirely a question of business acumen, the N. Y. Times emphasizes as it sets forth these potential influences: "Many American branch factories have been opened in Canada. They can sell in the Canadian market, while escaping the Canadian tariff and at the same time enjoy the preferential treatment given to Canadian goods by many of the countries within the British Empire."

America's investment in the Dominion has now become so vast that its withdrawal is inconceivable. In fact, there is every reason to expect that the present investment will be further pyramided, as the business ventures already embarked upon continue to extend.

The question continually arises regarding the possibility of John Bull again regaining his pre-war status as Canada's banker. The Winnipeg Tribune points out that "as the pound sterling approaches par, there will be an influx of British capital that will further speed up Canadian development." But the Montreal Gazette—which can never be accused of imperial dissolution—reflects that "it cannot be expected that Canadian development will halt until the British pound returns to par."

Even so eminent a Canadian as President Beatty, of the C. P. R., has made it entirely clear that the flow of American capital into Canada will in no way interfere with Canada's politics or patriotism. While in England he pointed out that much as Canadians would welcome British money here, there was no imperial preference upon capital in this country. President Beatty's attitude may be accepted as the attitude of thinking Canadians and this is the viewpoint which is mirrored in the influential press of the country.

"American capital is welcome in Canada," the assurance of the Winnipeg Tribune epitomizes the opinion of Western Canada, where undeniably exists a ready acceptance of the role which Uncle Sam, banker, has come to play toward the Dominion. The West is probably more receptive to American capital than the East in the same ratio as the West adheres more strongly to the principles embodied in reciprocity. "In the days when reciprocity was proposed Canadians used to be told that if they accepted 'Yankee' dollars for their wheat and beef their patriotism would pine away and die," is the Edmonton Bulletin's ironical reminder. The Bulletin adds, "if there were any such withering influence attaching to money coming from the republic the ties which bind the Dominion to the other British nations would surely be showing signs of shrivelling. An importation of dangerous currency amounting to a billion and three quarter dollars in five years ought to produce results, if the protectionist prophets were right in their forecast. Certainly the most hopeful supporter of reciprocity never expected that Canada would annex United States' dollars at that rate in payment for farm products. It seems to be in order for our 'anti' friends to explain how it is that Canada is still in the Empire and proud to be there."

Of Western Canada's cardinal problems in the economic housecleaning it is held by many that the immigration of people and capital are closely allied. "A truer statement," opines the Regina Leader, "would place capital first and immigration second since it is capital which makes conditions attractive to the immigrant."

With this fundamental belief the Regina Leader argues that the inflow of American capital is a recognition of the "soundness of this country." The Leader regards the inflow as an entirely logical outcome of the turn in international economics as a result of which "capitalists in the U. S. have abandoned the policy of 'splendid isolation' to which they adhered as lnog as their country was economically independent and are exporting capital to establish industries in other countries which will serve as feeders to the manufacturing establishments on their own soil. The proximity of Canada to the U. S. and the familiarity of U. S. business men with the habits and resources of this country have naturally induced large investments."

Business Not Sentiment

This capital invasion is regarded by the Regina Daily Post as a strictly business proposition. "Sentiment does not count for much in the matter of investment," the Post maintains, going on to explain, "but certainly British capital is just as welcome as American." Just as welcome, mind you! This from the heart of the Canadian West, from the civic centre whose name honors the illustrious dead Victoria, Regina.

The Edmonton Bulletin offers no objection to the incoming "Yankee" dollars because they are of U. S. origin. The Bulletin is chiefly apprehensive of an undue accumulation of national debt induced by too easy "Yankee" dollars. "The moneyed men of the U. S. have been generous with us—perhaps overly generous for our good. It is possible to get too many of the very plentiful 'Yankee' dollars—when they are borrowed," is the burden of the Bulletin's complaint.

Importation of borrowed capital should be halted in the opinion of the Edmonton Bulletin, for the reason that "the billion and a quarter of dollars which have gone into Canadian bonds will have to be repaid and interest on the amount has to be exported every year until it is paid. To meet the interest charges alone we shall have to export more than sixty million dollars per year, representing a tax of about eight dollars per head on our whole population. That heavy

(Continued on page 15)

Rothschild University Propagandist

JOHN ROTHSCHILD, an apparently well-mannered young man of German-Russian parentage, a temporary student at Harvard College, met a gathering of picked students which was called by a Toronto University official for 11 o'clock one night in a room in one of the College buildings. He said he and his associates were engaged in promoting independent thinking among students with the object of freeing them from capitalistic control. He enthused them with his plausible theories. He was prepared to send a corps of distinguished lecturers (Professor Scott Nearing, who created so much trouble in Toronto, being among them) to promote the good work. He particularly, but tactfully, sounded them as to what would be the attitude of the University authorities of a "real" Red; as to how far these speakers might go in the direction of disloyalty in their arguments and presentations before being stopped.

This is only one of many other activities that have been worked among Canadian college students and in Canadian schools in the last couple of years and against which THE FINANCIAL POST has been putting the University authorities, the students and their parents on their guard. The above is one of the minor incidents. It does not cover all of Rothschild's activities in Canada, but if Sir Edmund Walker, chairman of the Board of Toronto University, who says these warnings are "nonsense, not worth paying attention to" and the Daily Star which says THE POST is in "a haunted wood," will make a few inquiries, they will find very much more and much worse.

Rothschild visited Toronto at least on three occasions. College and society circles entertained him. He sent agents here to carry on work. He brought over a corps of alleged representative students from Germany and Russia to "carry a message of youth," some of whose immoral beliefs and practices would not be tolerated for one minute in any decent country. He and young Mr. Pratt said they handpicked Europe for them. Rothschild is merely one of the agents of a very dangerous group. The best type of German students have disowned them. They operate through various organizations from primary schools to colleges and women's movements. The Rothschild group work through "The National Students' Forum," "The Youth Movement," etc. Their activities were uncovered first by Sir Robert Nathan, K.C.M.G., at one time Secretary to the Viceroy of India, who came to Canada at the outbreak of war with one of the groups of British Intelligence workers. In 1919 he turned over a mass of information to New York State authorities, among other evidence being documents which showed that Scott Nearing, when he claimed to be "working for the good of the cause," was drawing from German sources three times the monthly salary he had received as professor in the university from which he had been expelled. Sir Robert's successors found it necessary to study further the far-reaching activities of Rothschild's friends and there are two large files covering their work in Canada, the United States and Europe.

University authorities throughout Canada were warned nearly a year and a half ago, and certain universities took immediate and effective action; but in Toronto, which is the headquarters for Canada of anti-British, anti-capital, anti-religious and certain immoral activities, they have been allowed a free hand. Documents that came into Sir Robert's possession showed that about $4,000,000 annually was being spent in the printing and distribution of literature tending to stir up class against class in the United States and Canada, and a recent U. S. investigator was able to trace at the present time nearly $6,000,000 being spent for this purpose. Among these publications is one which Mr. Rothschild arranged should be distributed among Canadian college students to forward the movement. It is through this form of inspiration and private suggestions and conversations of converts, and not by platform methods that their work is carried on.

PERSONALS

F. C. CURTIS, director of F. C. Curtis & Company, London, electrical resistance manufacturers, will be in Toronto shortly, and will probably appoint a Canadian agent.

H. BAUGH, representing F. Hinde & Sons, Ltd., silk manufacturers, Norwich, left England recently for a three months' tour of Canada in the interests of his firm. He will probably appoint Canadian agents.

A. HARE, director of William Hollins & Co., Ltd., woollen manufacturers, of Nottingham and London, left Toronto last week having re-organized the firms' Canadian representation.

V. T. DUCKER, son of the president of the Derby Chamber of Commerce, was in Toronto this week on the last stage of a trip around the world for educational purposes.

D. W. SMART, of the manufacturers agents' firm of that name, Toronto, has just returned from a visit to the United Kingdom where he secured the Canadian representation of additional British firms.

G. INNES MACKENZIE, who has recently been appointed western manager at Winnipeg of the Toronto Casualty and Marine Insurance Company, was formerly associated with the insurance firm of Dale & Co., Ltd., and has had a wide experience in the insurance business and is very well known in insurance circles throughout the west.

R. H. MULCH has been appointed general manager of Durant Motors of Canada, Ltd., and has taken up his duties at the Durant plant at Leaside, Toronto. Mr. Mulch has had wide experience both in the American and Canadian automobile fields. He was for three years sales manager of the Chevrolet plant at Oshawa and comes here from California where he has been connected with Star Motors in that State.

B. M. BELLASIS, secretary of the Exhibition Section of the Federation of British Industries, has just arrived in Toronto to take charge of the exhibition interests of the Federation at the Canadian National Exhibition. Mr. Bellasis will be in charge of the exhibits of 54 British firms who will make displays in the International Building. The representatives of a number of these firms will also visit Toronto at a later date.

LUC ROCHEFORT, who has been elected a director of Asbestos Mines, Limited, is general manager of Credit Canada, Limitee, and has been well known in financial circles for some years. He also attained considerable notice in civic politics in the last mayoral election by the vigor of his campaign against the present mayor. He came to Montreal at the age of seventeen and after occupying himself at whatever offered for a few years he was able through determined and successful efforts to obtain an education, to secure a position in a brokerage office which led to his present position.

SOLOMON LEVITAN, state treasurer of Wisconsin, who has been visiting his daughter, Mrs. F. L. Goldstine in Winnipeg, expresses the opinion to the Manitoba Free Press that the condition of the farmer on both sides of the line is unsatisfactory as regards purchasing power from his products. He expresses the opinion that generally speaking there was a tendency to spend too much time on and in automobiles. This he meant as an illustration of extravagance and not in condemnation of the motor as an implement of service. Mr. Levitan is president of the Commercial National Bank of Madison, and vice-president of the Commercial Trust Co. of Madison. He believes that in co-operation lies the solution of the farmer's problem; they should be co-workers not competitors, he says.

LT.-COL. SIR JOHN HENDRIE, K.C. M.G., C.V.O., who died in the United States, where he had gone for an operation, was one of Ontario's leading men. He was born in Hamilton in 1857 and after leaving school, started out in the world as a rodman on railway construction work. Soon he took up contracting himself and later assumed the management of the Hamilton Bridge Works with which he was for years associated. Steadily he broadened the scope of his activities, becoming active in the industrial life of his home city. Later he took up financial and commercial affairs on broad lines and was a director of the Bank of Hamilton, president of the Hamilton Bridge Company, vice-president of Hendrie and Company, and a director of the Mercantile Trust Co. and the Great West Life Insurance Co. In public life he was also in the forefront. For two years he was mayor of Hamilton and laid down the reins of municipal office to step into the Provincial Legislature which post he held from 1902 to 1911. When Sir James Whitney was asked to organize a Government following the defeat of the Ross Regime in 1905, Sir John entered the ministry as minister without portfolio and proved a strong and useful member of the cabinet. In 1914 he was chosen as the lieutenant-governor of the province. Sir John achieved no little fame, however, as a sportsman. He was heavily interested in jockey clubs and first with his brother and then by himself, conducted important stables. On two occasions his Valley Farm stable captured the King's Plate. He also stood out as a militaryman, having been president of the Ontario Artillery Association and the Canadian Artillery Association. He was created Commander of the Royal Victorian Order by the late King Edward in 1907. In 1883 the late Sir John joined the Fourth Field Battery, Canadian Artillery, and by 1899 he was major in command of this battery. He commanded the Canadian artillery during the late Queen Victoria's Jubilee in England in 1897, and was lieutenant-colonel in command of the Second Brigade, Canadian Artillery from 1903 to 1909. Later he was on the reserve of officers. As a reward for his long services he was decorated with the Queen's Jubilee Medal and the C.V.O.

Balance of Shares

Belgo Canadian Paper Company Limited

One of the most efficiently operated newsprint mills on the continent.

7% Cumulative Preferred Stock

A large portion of these shares having been sold, the balance is offered for immediate subscription.

Preferred Stock issue (this issue) .... $ 4,000,000
Total Net Assets (after deducting all liabilities) as at April 30th, 1923 .... $12,500,000

The Net Assets behind each share of preferred stock are, therefore, equal to over $312 per share. Average earnings on the preferred shares for four years ending August 31st, 1922, were at the rate of over 27%. For eight months from August 31, 1922, to April, 1923, the earnings were at the rate of over 33%.

The capacity was increased 1st March from 65,303 tons per annum to 90,000 tons. The capacity is being further increased (to be ready for operation November 1st), which should still further materially increase the earning capacity.

PRICE: $96.50 PER SHARE (par value $100) YIELDING 7.25%

This Company has a record of TWENTY YEARS OF CONTINUOUS SUCCESSFUL OPERATION, the assets are conservatively valued, the earning record is a good one and should, with the increasing capacity, be still further increased. The management is efficient and the markets excellent.

We recommend These Shares for Investment

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Established 1889

A Well-Balanced List

E. S., Toronto.—Would you kindly tell me what you think of Montreal Tramways stock? I have $6,000 debenture stock and 20 shares common. I would also like your opinion on the following stocks that I hold: pref. Illinois Traction; pref. Can. Locomotive; com. Can. Locomotive; com. Twin City; pref. Dom. Textile; com. Montreal L.H. & P.; com. Montreal Telegraph; pref. Dom. Iron; com. Mackay; com. C. P. R.; Consumers Gas, and 6 shares which are partly paid up. I would like to know if you would suggest any changes. I have also about $20,000 invested in bonds principally Dominion of Canada and Province of Ontario which I know are all right.

We do not consider that the position of Montreal Tramways stock or debenture stock will in any way be adversely effected by the developments in connection with the Montreal Tramway Power Co. The latter company is a holding company controlling the Montreal Tramways, but Montreal Tramways has a definite arrangement with the City of Montreal that assures its interest and dividends. In its relationship with the general public, in the condition and management of its plant and equipment and in the earnings on its securities there can be no criticism of Montreal Tramways Co. itself.

Little criticism can be made of your other investments. Perhaps you know that Illinois Traction preferred shareholders are getting new stock in the re-organized company that will pay them one per cent. per annum more than in the past. Dominion Textile preferred, Montreal Light, Heat & Power, C. P. R. and Consumers Gas are all excellent investments that need cause you no worry whatever. Canadian Locomotive Company is now in an improved position due to the substantial orders it has received. After having their plants idle for the better part of two years, they are again busy, and it is likely with the development of the country that the plant can continue to operate, at least close to capacity, for some years hence. The common dividend was reduced last fall, chiefly because the company wished to conserve its cash resources to hand all the the orders it expected and which has since materialized. Both the preferred and common should be held.

Twin City has recently gone on a 6 per cent. dividend basis which was considered a very satisfactory distribution. Prospects are improved due to a quickening of business activity in Minneapolis and St. Paul, where the company franchises are located. Dominion Iron & Steel is now a constituent part of the British Empire Steel Corp. and separate statements are not available. If they were available they would not be of much value in judging the position of this stock, because the dividends on this and the preferred stock of the British Empire Steel are paid out of the same cash box. British Empire Steel Corp. is having a better year this year than last, we understand, and while investors generally do not seem to have lined up behind this merger in the way the promoters of the deal expected, the stock is probably a good enough one to hold. We do not recommend the exchange into the British Empire Steel stock as there is nothing to be gained by the investor in making the exchange at the present time.

To Yield 6½%

We are offering the first Mortgage bonds of a public utility with a 20-year history of steady growth, stable and profitable operation, supplying light, power and transportation to a large prosperous community. Earnings 2.40 times bond interest.

We recommend these bonds for investment, and will gladly send particulars on request.

Greenshields & Co.

Dealers in Canadian Bond Issues
Members Montreal Stock Exchange
Montreal: 17 St. John Street
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Toronto: 14 King Street East
Ottawa: Central Chambers

INVESTORS' INQUIRIES

Questions of general interest submitted by subscribers of The Financial Post will be answered in this column, in which case only initials will be used. Other inquiries will be answered by mail. A three cent stamp should be enclosed to cover a direct reply.

EUREKA KIRKLAND

Reader, Windsor—I would like to hear about Eureka Kirkland Gold Mines, with head office in North Bay.

Eureka Kirkland is a fair prospect and is considered to be in good hands. They are pushing ahead with stock selling to finance.

DOME MINES

Subscriber, Ontario—Would like your opinion of Dome Mines around present prices.

Dome Mines earnings in June passed the $400,000 mark for the first time. The stock is now on a $4 dividend basis. At present prices the stock is regarded as a good buy as a mining speculation.

BRAZILIAN

C. A., Ontario—Would Brazilian not appear to be a good buy with both the earnings and milreis improving?

Brazilian earned just under 6 per cent. on the common stock last year. Costs are steadily dropping. Conditions in Brazil are improving and they are taking a form that should better the Brazilian exchange and, of course, this will help the company materially.

BIG DYKE GOLD MINE

A. A., Halifax—I would like your opinion of the Big Dyke Consolidated Gold Mine. I hold 1,000 shares which I bought two years ago at 40c per share. Do you think there is any prospect of this mine ever becoming a producer?

Big Dyke Gold Mines are located in Delora township, Porcupine area. The property is looked upon as having merit, but is not operating. It is understood that the company has no funds.

PORCUPINE THREE NATIONS

Reader, Windsor—Could you give me any information about Porcupine Three Nations Gold Mining Co.? This company was incorporated in November, 1910. As I am a shareholder I would like to know how they stand.

Porcupine Three Nations claims are in Porcupine. No work has been going on for some time. It is understood that re-financing plans are being prepared. The property has merit as a mining prospect.

BROOK STEAM MOTORS

Reader, Exeter—Will you kindly give me your opinion of investing in the Brooks Steam Motors, as a reasonable speculation? We do not think it could be classed at this stage as an investment, but is there any chance of it making good?

Owners of steam cars claim to secure good satisfaction from them, but it is significant that no company manufacturing them, has made any outstanding financial success. For this reason the stock would be extremely speculative.

TECK HUGHES

M. M. M., Ontario—What do you think of Teck-Hughes? I have 1,200 shares.

Teck Hughes is now producing around $100,000 monthly and is considered an excellent mining venture. Excellent progress has been made in developing the property since the taking over of the Orr holdings and valuable high grade ore has been opened up. The company is building up a strong treasury and should be soon in a position to take up consideration of the question of dividends.

WHITE BEAR

Government Dept., Moncton — Can you tell me anything of the White Bear Mining Co., 1906? Is it any good?

White Bear Mining Co., (1906), has its office in Toronto. J. E. Robinson is the secretary, the name of the company being Rossland White Bear Mining Co., address 302 Bay Street, Toronto. It is quite evident that the concern is a going one as Pres. J. J. Warren, Consolidated Mining Smelting who is evidently the president of White Bear, says that statements have been sent out regularly, yearly in connection with the annual meeting.

KEORA

H. L. H., Ontario—What are the prospects for Keora?

Keora Mines are located in North West Whitney, Porcupine district. Diamond drilling is being conducted on the two northern Keora claims. Engineers' reports on the property indicate that it is a holding of merit but the company has been unfortunate in its financing plans. Recently a deal was almost concluded with British interests, but was held up at the last minute and a request made to allow for an independent examination of the property. The engineer, whom it was stated would be sent to make the examination, is now in Canada.

STEWART MINING CO.

Reader, Guelph—I have shares in the Stewart Mining Co. bought over by the Dunwell. Are the shares of any value?

The Stewart Mining Co. was taken over by the Dunwell Mining Co., and payment was made by issuing three shares in the Dunwell Mining Co. for every four held in the Stewart Mining and Development Co. The Dunwell shares are of value. If you hold Stewart shares, forward them by registered mail to R. C. Stewart, Liquidator, P. O. Box 575, Victoria, B. C., duly endorsed over to the liquidator and he will make the necessary transfer and issue you a certificate for Dunwell shares.

WILLARDS CHOCOLATES

Reader, Deseronto—What do you think of Willards Chocolates preferred stock as an investment around 85? Last year, although apparently a good one, they showed a falling off in net earnings from the previous year. How are the profits running this year compared with other years? Do you consider it honestly and efficiently managed?

Willards Chocolates pref. at 85 is looked upon as a good business man's investment. There is a little mortgage on this heavy property standing ahead of the preferred. Profits this year are well up and, as the owners are the managers, they are interested in making it a success. They are regarded as capable.

GREAT EASTERN PAPER

Inquisitive, Toronto—Can you give me any information concerning the Great Eastern Paper Company, which sold a preferred stock issue in 1920? I understand it has been wound up.

Final winding up of this company has been completed and the assets have been distributed among the creditors. There was nothing left for either the preferred or common shareholders. This company was one of the ill-conceived enterprises that sprung up during the inflation period a few years ago. It was probably much over-capitalized and could not survive the decline in pulp prices. The limits and the property have been sold.

EAST KOOTENAY POWER

Reader, Brockville—Will you please give me your opinion on East Kootenay Power? Do you consider its bonds as a perfectly safe investment? What is the market price of the common stock and of the bonds?

The bonds of the East Kootenay Power Company appear to be a good investment for a business man. The company, though not old, is in good hands and has done well since its organization. It has excellent opportunities for success, and the bonds offer a somewhat better yield than the average public utility at present. The company has a capacity of 7,200 horsepower and this will be increased to 20,000 when the present financing and construction work are completed. The market on the bonds is from 97½ to 100 with a bonus of 25 per cent. common stock. We understand the latter is selling around eighteen.

CAPITAL LIFE

R. M., Nova Scotia—I would like to have information regarding the market value of stock of the Capital Life Assurance Company. I subscribed for three shares of this stock the par value of which is $100 per share. I paid $20 per share on account of the capital and $15 per share for premiums. The receipt which I hold is marked "not negotiable." What is the market value of this stock and how should I go about selling it?

Transfers of the stock are subject to ratification by the board of directors of the company. We do not know of any market for it at present, but it should be worth considerably more than was paid for it. The company, no doubt, would try to find you a buyer if you write them. In the case of life insurance stock, the companies usually make the market on the stock. As it is seldom transferred, few brokers handle it.

DOME LAKE

D. W. S., Nova Scotia—Let me have some information re Dome Lake Mining Co. I understand it has gone into liquidation and the liquidator is sending out notices ofering shares in Consolidated West Dome Lake. Is it worth bothering about?

Your shares in Dome Lake are transferable into shares of Consolidated West Dome Lake Mining Co. The consolidation is said to be well financed. Its holdings are in a desirable part of the Porcupine camp, adjoining the Dome on the south and west, and being north of the Paymaster. An independent engineer who examined the property reported it to have merit. The mine is now being dewatered. It is believed that shortly they will have power and operations will go ahead. Your outlay on the exchange would be one cent a share and you will receive one share of the Consolidated for every two of Dome Lake held.

NORTHWESTERN MUTUAL FIRE

Subscriber, Metcalfe—I would be pleased to have your opinion on the Northwestern Mutual Fire Insurance Company, of Seattle, which is handled through the retail merchants association. Would you consider it advisable for a merchant to carry the big end of his insurance with them? I understand they have a profit sharing plan which goes towards the reduction of renewal premiums. Undoubtedly it lessens the payments and a saving for the insured. Is the company strong and is it prompt in paying its losses?

The Northwestern Mutual Fire Insurance Company maintains the required assets in Canada for the protection of its Canadian policyholders. It is, therefore, safe to insure with, and its loss ratio, as last reported, indicates a careful selection of risks.

In the case of purely mutual companies, those insured are liable for additional assessments, should losses be abnormally high. We understand the Northwestern policies are non-assessable, in which case the additional assessments cannot be made. The profits returned to policyholders so far are satisfactory, but you understand they are not guaranteed. If you have much insurance, it is a good general rule to place it in more than one company.

HOLDING CONSOLIDATED

J. C., London—Thanks very much for information regarding the Holding Consolidated Gold Mines Co., which I can assure you is very interesting after reading the statements in the prospectus issued by the company some time ago wherein they state that they own free and clear of all debt 350 acres composed of a number of claims and giving the numbers and location of such claims. I note that R. J. Fleming, of Toronto, has recently purchased these same claims from Mr. Holding. What should a shareholder do in regard to this stock? What is the small shareholder's position?

Holding Consolidated Mines were organized as a private company by Sir William MacKenzie, R. I. Henderson, R. J. Fleming, Mr. Whitney, New York, and others, to identify their various interests. It was not the intention to sell stock to the public but one shareholder did give an option on a block of stock. It is stated that it was the person who took this option who started the advertising which THE FINANCIAL POST so strongly condemned when it made its appearance and which was refused publication in these columns. Our informant declares that little stock was sold before the option was called off.

The company was organized to mine the Holding claims, but since then acquired five Clarke claims. The Holding claims were held under an option, trouble arose, and Mr. Holding re-sold his claims to R. J. Fleming. Now Mr. Whitney has started court action and would have the court declare that Mr. Fleming's purchase was made for the Holding company. Thus there is a three-cornered suit between the triple interest in the Holding. There are indications that a settlement will be reached and we are informed that the small number of shareholders outside the central interests will be taken care of. This has been agreed upon. The unfortunate thing for the public and for mining is that the interests above allowed any stock to get out to the public. The Holding claims are of undoubted merit. The Clarke claims we know nothing of. But, if the interests above mentioned wanted some mining claims to play with, they should have kept them to themselves.

Besides, there is the letting of the option of the Holding claims lapse. This was being dealt with through the Asquith Gold Mines and Mr. Holding has stated that he still held 75 per cent. of the stock. The desire to protect shareholders does not seem to have been strongly in evidence when the option was allowed to lapse, and Mr. Fleming picked up the property.

CURRENT OPINIONS

OVER-GOVERNMENT

Grain Trade News

An outstanding social fact to-day in Canada is the reaction against over-government. The tendency toward the extension of the sphere of governmental activities and toward the elaboration of governmental agencies was prominent before the war, and during the war years governments necessarily assumed new functions. The people of all countries, fortunately including Canada, have recognized that the development in the direction of centralized and bureaucratic management has gone too far.

We have too many governments in Canada, too many legislators and too many civil servants, and it all costs out of proportion to the national income. We have been trying to accomplish by laws and regulations a great deal that could be better left to individual initiative. Recent events, such as the failure of the Wheat Board proposal, the Manitoba vote for the Moderation Bill and the Ontario elections, are evidences of the reaction against governmental encroachments and toward a simpler and more responsible system.

THE FIELDING PROGRAM

Halifax Herald

A little more than a month ago when Hon. W. S. Fielding, as Finance Minister, made his budget speech in Parliament, he informed the country that we had gone behind in the fiscal year that ended on March 31, to the tune of $49,293,086. He moralized over the fact that this meant an addition to the public debt of fifty million dollars, following an increase of eighty-one millions in the year preceding, and attempted to excuse himself for not balancing his budget by saying that that could only be done if more taxes were levied on the people. This, he said, he did not want to do; and he exhorted Parliament and the country to be patient and forbearing; but held out no hope that the budget could be balanced for a "year or two."

Since that time Mr. Fielding has increased the sales tax to a straight six per cent.: and it is certain that the increase will result in heavier taxation on the masses. But not a move has been made to bring down expenditures —to reduce the cost of government, or pare away expenses which might be justified in the days of prosperity, but which should be rigorously cut "to the bone" when the national exchequer is not able to pay current liabilities.

Many people are wondering what has come over the Finance Minister. The impressive fact that this country faces large deficits incurred in recent times, and is looking forward, on Mr. Fielding's statement, to other large deficits in the immediate future, does not seem to weigh with him. Has he lost his bearings? Or is he becoming reckless, and indifferent as to what may happen? Is it a case of, After me, the flood?

Ideas Too Big for Brains

The Independent.

How much flame there is amid all the smoke at Amherst we do not pretend to say. Alumni of that college have hard things to say about President Meiklejohn and undergraduates make him an idol. Two charges, closely related, have been preferred—his reluctance to see this country enter the war, and his free thinking on moral questions. With the actual truth of these we are not just now so much concerned as with the undergraduate attitude toward them. A so-called liberalism is taking hold of the younger generation which ought to be carefully analyzed and dealt with. In it there is beyond question an element of genuine liberality. For one thing, youth to-day is showing hospitality to ideas which is admirable, and colleges would surely not wish to discourage it. One whose college years were spent in humdrum times can hardly appreciate what alluring material the imagination of undergraduates nowadays has had to play on. Any youth who thinks at all does a lot of theorizing, and when such big ideas are in the air as self-determination, war to end war, peace without victory, Communism, is it any wonder that he sweeps the universe clean with his solutions? This is as it should be. Let him be a theoretical Communist for the moment; he is being honest with himself. Owing to the big times in which they live, members of the coming generation are espousing all sorts of isms. Naturally their ideas are too big for their brains. And here is where President Meiklejohn should step in. To-day, more than ever before, it is necessary that young men should eventually become tough-minded. If they are encouraged to indulge in their imagination and are not given the discipline of reason and strict observation of the facts, the situation is lamentable. President Meiklejohn, we are sure, would be the last to desire for Amherst the reputation of liberalism won at the expense of good sense and clear thinking.

"BILLY-DOO" STILL SAVES TAX

We guarantee to save 2c tax on every mailed receipt of acknowledgment with "Billy-Doo" Folder during 1923 or refund their cost.

Phone or write for samples.

The 5 in One Letter-Envelope Co., Limited
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RSC INVESTMENT-SERVICE

Money Asks No Vacation

IT WILL earn 6 per cent. to 7 per cent. interest for you just as faithfully in July and August as it will in November and December.

WHY, therefore withhold the investment of surplus funds until the "dog days" are over?

AS a matter of fact, you can pick up good bonds a little cheaper now than you may be able to later on.

SEND for our current list of offerings. There are many desirable purchases to be made from it.

Royal Securities Corporation, Limited
164 St. James Street
MONTREAL

5.20%—secured by a Canadian Province

If you wish to rest easy in the knowledge that your funds are thoroughly safeguarded, this long term Provincial issue should appeal to you.

Province of Alberta
5% Bonds
Due July 1st, 1943
Price: 97.50 and Interest,
Yielding over 5.20%

Descriptive circular gladly mailed. Write for it.

Wood, Gundy & Company
Toronto — 36 King Street West, Toronto — Montreal
Winnipeg — New York
London, Ont. — Telephone: Main 4280 — London, Eng.

6½% and Safety

An exceedingly attractive investment combining these features is offered in the 6½% First (closed) Mortgage Bonds of The Keefer Realty Corporation of Montreal.

The Keefer Realty Corporation has acquired from the estate of the late T. C. Keefer, the South-East corner of St. Catherine and Mackay Streets, Montreal, and is building thereon a ten-storey office and business building. The location is at a very valuable point in Montreal's steadily developing uptown retail shopping district, close to the best hotels, residences and theatre district. This assures a constant demand for space in the building and appreciation of the value of the site.

Arrangements for leasing and renting the building are in competent hands, and applications for a considerable part of the building space are now in process of negotiation.

The First Mortgage bond holder is unusually well protected as to safety of principal and interest. In addition to a substantial Sinking Fund, the Trust Deed securing this bond issue requires that a special reserve fund of $50,000 be set up and maintained.

Bond Interest will be met by net earnings of almost 2½ times the amount annually required. The building will also be insured for its full insurable value.

Bonds are in denominations of $1,000 and $500.

Send to-day for our special circular describing all of these features in detail.

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Belgo Canadian Paper Company, Ltd.
7% Cumulative Preferred Stock
We offer the above stock, as, if and when issued.
Price: 96.50 per Share
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Vipond Consolidated

RECENT developments underground at Vipond Consolidated have brought highly significant results. An ore body of high-grade at least 500 feet vertical is now clearly indicated and diamond drilling to locate the downward extension of another large vein system is about to begin from a depth of 1,000 feet.

Write us for full details

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FOUNDED 1904 LIMITED
242 BAY ST. (PHONE: ELGIN 5171) TORONTO

UNLISTED BONDS

	Bid	Asked
Abitibi Gen. Mtge. 6's 1940	96¼	96¾
Algoma Steel 5's 1923	42	45
Amer. Sales Book 6's 1927	97	
Ash. Hardware 5 p.c. 1928	94	..
Canada Salt 7's 1941	99	102
Wm. Davies 6's 1926	104	99
Dom. Iron Steel 5's 1939 ..	..	81½
Dunlop Tires 6's 1927	98½	..
Dom. Sewer Pipe 6's 1927	94½	..
Dom. Mfg. 6's 1927	82	87
Eastern Car 6's 1952	93	..
Gord. Iron & Fare 6's 1927	..	45
Harris Abattoir 6's 1928 ..	99	..
K. & S. Tire 7's 1935	79	84
L. Superior Paper 6's 1941	103	..
Marcus Loew's 8% notes ..	90	96
Mattagami Pulp 6's 1937..	67	..
Mattagami Pulp 7% Deb. .	33	35
Morrow Screw 6's 1931 ..	84	..
Neilson's, Wm. 6's 1933 ..	97	..
Stan. Clay Pro. 6% 1942 ..	..	90
Western Power 5's 1949 ..	85	87
Whalen Pulp 7% Deb. 1932	63	66
Simpson Robt. 5's 1952	85	..
Mount Royal 8% Deb. ..	78	81
Spanish River 8's 1941	105	107
Burns P. 1st Mtge. 6's 1924	104	..
Can. Machinery 6's 1940 ..	78	..
K. Ed. Hotel, 7's 1933	89	92

NEWS AND VIEWS ABOUT BONDS

INTEREST OF BOND MARKET IS TOWARD EQUIPMENT ISSUE

Few Sales of Municipals, Maple Leaf Bonds Well Received

Little activity is reported in the bond market at present, a reflection of the holiday season. Trading is on a very contracted scale but salesmen still report moderate buying by private investors, while some institutions are taking on small commitments.

No large provincial or municipal issues were sold during the week, but the $2,000,000 Maple Leaf Milling Co.'s issue has been readily taken up in many quarters. A new departure in offering the equipment bonds of the Canadian National Railways here will provide a suitable issue for many investors. A feature of the tenders is that any firm or syndicate may bid for any amount from $1,000,000 up to the total of $22,500,000. Opinion is divided as to whether many will bid for small portions, running a chance of being awarded bonds at a price higher than that paid for blocks by other bids. Some dealers refuse to bid under these conditions and will only submit a tender for the entire issue.

A conviction that the market for good bonds will be strong in the fall and during the coming year is based on two conspicuous fundamental facts. There are certain institutions such as insurance and trust companies which are growing rapidly and which will continue to be dependable, sure buyers. Their income from the public, interest and repayments of principal of present investments force them to engage in a continual process of investing. There is no evidence at present that such huge quantities of bonds as they require will be offered by issuing bodies. In fact, the tendency among governing bodies is to cut down borrowing for a period at least.

The scarcity of good government and municipal issues will force investors to look with favor on the better class of mortgage and industrial bonds. That these will be scarce is not so evident, as plans are now being laid for the sale of many such issues in the fall.

Shawinigan Falls Schools

During the week, McLeod, Young, Weir & Co. purchased $42,800 bonds of the Shawinigan Falls Roman Catholic Schools at 99.12. The bonds bear interest at 5½ per cent. and mature serially from 1945 to 1952. The bids were:

McLeod, Young, Weir & Co.	99.12
A. E. Ames & Co.	98.667

Trenton Issue

Trenton bonds totalling $30,000 were sold to Bain, Snowball & Co. at 100.37. The bonds are 30 instalments and bear interest at 5½ per cent. The tenders were:

Bain, Snowball & Co.	100.37
C. H. Burgess & Co.	99.07

The bond department of the Sterling Bank of Canada bought $10,000 Fort Erie 5½ per cent. 20-year instalment bonds at 99.25.

Terrebonne Sells Bonds

Réne T. Leclerc, Inc., was awarded $51,000 5½ per cent. bonds of Terrebonne, Que., at 99.50. The bonds run for 10 years and at the price paid the money costs 5.57 per cent. The tenders were: :

Rene T. Leclerc Corp.	99.50
Municipal Debentures Corp. ..	99.39
Versailles, Vidricaire & Boulais, Limited	98.87
L. G. Beaubien & Co.	98.80
Credit Anglo Francais, Ltd. ..	98.47
Dominion Securities Corp.	98.107

Maple Leaf Bond Issue Reported Well Received

The Maple Leaf Milling Co. have sold $2,000,000 first-mortgage sinking fund bonds to a syndicate composed of Osler & Hammond, Osler, Hammond & Nanton of Winnipeg, the Dominion Securities Corporation, and the National City Co. The bonds, which bear interest at the rate of 6½ per cent. per annum, are dated August 1, 1923, and mature August 1, 1943, interest being payable semi-annually, February 1 and August 1.

The Maple Leaf Milling Co. is one of the larger Canadian companies in the milling industry. Its plant at Port Colborne is one of the largest on the continent, with a daily capacity of 14,000 barrels. This and the plant at Kenora are so situated that water transportation is available for most of the product. The company has an authorized capitalization of $2,500,000 common stock, $3,500,000 preferred, and $4,000,000 of bonds. The entire issue of common is outstanding, $2,930,000 of preferred, and the present issue, $2,000,000 of bonds. The remaining $2,000,000 of bonds can only be issued against 75 per cent. of the cost of additions to or betterments of properties and plants, provided that the average annual earnings for the preceding three years are at least twice the interest on bonds outstanding and those proposed to be issued.

It is understood that a large part of the issue has already been sold and that any balance will be offered to the public shortly.

J. G. Strathdee and G. C. Burgess have formed a partnership under the name of Strathdee & Burgess, and will engage in the buying and selling of stocks and bonds. They have opened an office in the C.P.R. Building, Toronto.

To Sell Bonds for New Gas Plant at Edmonton

Representatives of financial houses in the West have been investigating the situation with respect to the proposal to construct a gas plant at Edmonton. If the results are satisfactory the project will be financed by notes of the Northwestern Utilities, Ltd. The issue was sanctioned by the Edmonton Utilities Commission some time ago.

HARD TO SECURE FINANCE COMPTROLLER

No Definite Announcement of Ontario Appointment; Powers Present Difficulty

With nothing definite from the Ontario government regarding the appointment of a comptroller of finances, there is a growing feeling in financial circles that it will be found impracticable to carry out the idea. This is based on the argument that it is impossible to get a really big financial man to take a position under the provincial treasurer and that the government will not create a position which would be independent of the minister. Then to appoint a man of smaller calibre under the minister would be no improvement over the present arrangement with an experienced deputy and staff, it is contended.

The names of a number of men well known in financial circles have been put forward as possible appointees to the proposed office, but doubt is expressed if any of those so far mentioned would accept it. In the case of Geo. H. Ross, finance commissioner of Toronto, there is little in the position under these circumstances which would seem attractive. Much the same may be said of R. C. Matthews. Although free from any business association with the firm of Matthews & Company, bond dealers, it is believed that he could have headed the treasury department as a member of the cabinet, had he desired to enter politics, and he would scarcely be willing to accept a subordinate position.

GOODWIN'S ISSUE IS SOLD IN BLOCK

New York Investing Institution Loans Montreal Department Store $1,750,000

From Our Own Correspondent

MONTREAL.—Through the Montreal Securities Corporation, Goodwin's Limited, Montreal's large department store, has disposed of the $1,750,000 of bonds authorized this week by the shareholders. The issue was sold in a single block to a large New York insurance company.

The bonds pay 6 per cent. interest and mature in ten years. There is provision for a small sinking fund, not sufficient to retire the entire issue by maturity.

The money derived from the sale of the issue is going to improve the company's working capital position. No important capital expenditures are planned. Bank loans will be reduced.

Belgo Paper Stock Was Bought at $97 Share

That the Canadian syndicate which purchased the Belgo Paper Company from its former owners in Belgium paid about $15,000,000 for the property seems to be evidenced by a notice to shareholders now published. The notice advises that the Bank of Outremer, Brussels, has sold all its holdings to a Canadian syndicate at $97 a share. These holdings represented control of the company, but provision was made that all other shareholders were to be offered the same price.

There was outstanding $14,000,000 of stock of the old Belgo Company and $1,500,000 of bonds which had to be assumed, bringing the total price to about $15,000,000. The new company has since been bonded to the amount of $8,000,000. The total net assets of the company after deducting all liabilities are more than $20,000,000.

As less than $12,000,000 is being raised by the bond and preferred stock issues it will be seen that the common stock of the new Belgo Canadian Paper Company represents not only a substantial equity but a considerable cash investment by the syndicate that has arranged the recent financing. One of the largest stock holders of the new company is Hubert Biermans, general manager, who has transferred all the funds derived from the purchase of his former holdings into the stock of the new company.

EQUIPMENT BONDS HAVE NEVER BEEN SOLD IN CANADA

Government Railway Issue Establishes a Precedent

From Our Own Correspondent

MONTREAL.—It will create a precedent when the Canadian National Railways issue $22,500,000 of equipment bonds in Canada. There has never been a large issue of railway bonds sold in this country. Practically all the financing of this nature by the railway systems of the country under private ownership has been done either in England or more often in the United States where such bonds are particularly well known and popular.

No provision is made in the present case for payment of interest or principal outside of Canada, which means that the present issue will be offered to Canadian investors and it is likely that only a small amount of the issue will be sold outside this country.

Public Tenders Called

The calling for public tenders for the issue of bonds is also in the nature of a novelty and means the displacement of the former fiscal agents of the Canadian National Railways when it only included the Canadian Northern and the Canadian Government system and not the Grand Trunk.

Tenders are called for the issue, which will consist of 15-year 5 per cent. bonds guaranteed by the Government of Canada, up to July 25. The bonds will rank as a first charge upon the equipment to be purchased and which will cost $30,000,000. In accordance with the usual practice respecting equipment bonds, 25% of this cost, $7,500,000, will be paid in cash out of the railway's appropriation from Parliament.

It is an interesting feature of the issue that title for the equipment is vested in the railway company, and a mortgage will be given to the Minister of Finance and Receiver General of Canada as trustee for the bondholders. This is a unique situation when the guarantor of the bond is also the trustee. Under ordinary circumstances this would not be acceptable at all to investors or bond dealers, but in view of the fact that it is the Dominion government in this case which is acting both as guarantor and trustee it is not likely that investment opinion concerning the bonds will be affected by this feature.

Government Gives Guarantee

It has been originally planned that no further issues of Canadian National Railway bonds should bear the Dominion government guarantee. This would mean that if the bonds were to be sold in Canada there would have to be a process of education of investors as to this type of securities and the additional expense of this would mean that the railway would pay a higher price for its money. Equipment bonds are usually considered a very excellent security even in the case of roads that would find difficulty in selling any other type of security. While tracks and other immovable equipment provide little protection for bondholders in the case of a road that is not paying its way, the rolling stock—consisting of locomotives, freight cars, etc.—can be moved from one line to another and is easily sold by the trustee under a bond issue in the case of default. Thus the first mortgage on rolling stock has an excellent value and equipment bonds are therefore considered as a better investment than the average railroad bond.

As this issue is guaranteed by the Dominion of Canada both as to principal and interest, it is hardly likely that the purchasers of the issue will attempt to explain very fully the particular features of this class of bond. It will be sold as a Dominion of Canada bond and rightfully so, and this will be a sufficiently strong feature to make it unnecessary to give much attention to the other features of the bond.

As in the case of most equipment issues, the bonds will be payable in equal instalments. This allows for the depreciation of the rolling stock and means that the cars and tracks behind the bonds outstanding at any time are not too low in value to provide ample security.

AUTHORIZE BOND ISSUE

A special meeting of the shareholders of the Burrard Inlet Tunnel and Bridge Company was held in Vancouver this week to authorize the issuance of bonds to the extent of $630,000 in aid of the construction of a bridge across the second narrows of Burrard Inlet.

BOND MOVEMENTS OF THE WEEK

Week Ending July 17

BONDS—	Int. Rate	Due Year	Yield	1922 Range High	1922 Low	1923 Range High	1923 Low	Latest Price Ask	Latest Price Bid	Week End High	Week End Low
Asbestos	5	1942	5.95	100	76	90	87½	89¼	—	89	—
Bell Telephone	5	1925	5.00	98	94	101.90	97¼	102	99½	100	—
Can. Bread	6	1941	6.03	99	98½	100	96	99½	—	99½	—
Can. Cement	6	1929	5.58	100½	94	102½	100	—	101	102¼	—
Can. Cottons	5	1940	6.06	88½	82	90	88	89¼	—	88½	—
Cons. Rubber	6	1946	5.91	100¾	88	102½	99	—	100	101⅛	101
Dom. Textile (D)....	6	1925	6.00	100	98	100½	99¾	—	100	100½	100
Montreal, Sept.	6	1923	6.00	102	99	100	99¾	—	99⅞	100	—
Montreal Trams.	5	1941	5.77	93½	87½	92½	89¼	92	—	91⅜	91¼
Quebec Rly.	5	1939	7.17	87¼	65½	82	69	—	77½	79	78
Wayagamack	6	1951	7.27	88¾	71¾	86¾	80½	84½	—	84¾	—
Winnipeg Elec.	5	1935	6.02	92	88¾	94½	86½	91¼	90½	91⅛	91
War Loan	5	1925	4.66	96.30	96.10	100.90	99.10	100.90	100.80	100.70	100.50
Do.	5	1931	4.79	99.60	96.25	101.80	99.80	101.55	101.45	101.50	101.35
Do.	5	1937	4.74	101.50	99.50	103.30	102.00	......	102.70	102.90	102.30
Victory	5½	1923	4.38	100.70	98.75	100.95	100.25	100.65	100.55	100.50	100.30
Do.	5½	1924	4.98	100.75	98.00	101.40	100.25	100.85	100.75	100.80	100.40
Do.	5½	1924	4.98	100.75	99.75	103.50	102.35	103.35	103.25	103.30	103.00
Do.	5½	1927	4.67	102.70	101.25	106.70	104.40	105.40	105.30	105.50	105.20
Do.	5½	1934	5.13	101.35	98.80	103.90	101.30	103.30	103.20	103.35	103.15
Do.	5½	1937	4.75	106.25	103.00	108.45	106.50	107.90	107.80	107.90	107.70
Renewal	5½	1927	5.05	101.10	99.40	102.80	101.00	102.10	101.80	102.00	101.50
Do.	5½	1932	5.15	101.10	99.70	103.00	101.00	102.70	102.60	103.00	102.55

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CIVIC AND PROVINCIAL FINANCE

ALBERTA UTILITY BOARD APPROVES REBONDING PLAN

Letter to Calgary's Mayor Scores Former Management

CALGARY.—Final approval of the permanent rebonding plan of the city has been given by the Public Utility Board of Alberta, and the scheme will be applied next year. The approval of the new rebonding scheme is really a confirmation of previous approval in 1922. In that year, Calgary went to the legislature with the general principles of a rebonding plan. The legislature passed the necessary amendment after the Public Utility Board had carefully scrutinized the scheme and sanctioned it. The legislative authority, however, was for one year only as a temporary expedient pending a complete and exhaustive revaluation of all city assets.

Revaluation Completed

This revaluation was completed some time ago and since then the Public Utility Board has been going thoroughly into the subject before giving approval to the permanent scheme of rebonding. Two plans were suggested, one by City Comptroller W. C. Wood, and the other by F. M. Harvey. The Harvey plan was adopted and, in its letter of approval, the board outlines the two plans as follows:

"One scheme provides for the rebonding of the total amount of the outstanding debentures for the lifetime of the assets. These assets have been gone over and their approximate lifetime fixed. This has generally been called the first or Wood scheme.

"The other scheme provides for the rebonding, on the maturity of the present outstanding debentures, of the difference between the present debentures and the amount of the sinking fund reserves standing at that time to the credit of the maturing debentures and making a new levy for interest and sinking fund to care for the refunding debentures. This is generally known as the second or Harvey scheme."

The approval was given on the distinct understanding that the sinking fund must be kept intact, and the amount due to the sinking fund provided by the city each year. Attention is called in the board's letter to the fact that the annual civic report for 1914 shows that at the end of that year the sinking fund was $363,862.41 short, owing to non-payment of taxes. By the end of 1916 the shortage had been increased to $809,544. However, strenuous steps to correct the sinking fund deficits have been taken during the past year and the funds are now in better shape than they have been for some time.

The board's letter to Mayor Webster contains severe criticism of the past management of the city's affairs. It says:

"The action of the city officials in the past, and the lack of their responsibility in dealing with the obligations or contracts assumed by the sale of their debentures, is such that the board is of the opinion it may be necessary for arrangements to be made for the appointment of trustees to be responsible for the sinking fund, and to see that the amount payable each year by the city is turned over to the fund."

It is hoped that the plan will solve the present difficulties in a way satisfactory to the ratepayers and bondholders. While giving some relief, it does not place the burden entirely on the future, and it has made it clear to all municipal officials that bonds issued on the understanding that sinking funds will be maintained are legal contracts which should not be broken.

To Cultivate Nuts In British Columbia

J. U. Gellatly, of Gellatly, British Columbia, recently made an exhaustive tour of the Kelowna, Summerland, Naramata, Penticton, Oliver and Fairview districts of the Pacific Coast province to locate the bearing nut trees in each and to gather data as to the suitability of climatic conditions in each district to nut culture. At the conclusion of his tour of inspection he states that he has conclusive evidence that the secure foundation is laid for the permanent industry of nut culture, and Canada, importing nuts annually to the extent of nearly five million dollars, from the United Kingdom, United States, Italy, France, Spain, Dutch East Indies, Hong Kong, Japan and China, can confidently look forward to the time when she will be largely independent of supplies from other countries and rely upon the province of British Columbia for her requirements.

INCOME BONDS DUE SOON

Some speculation as to whether the income bonds of the Lake Superior Corporation, amounting to $2,773,000, will be paid when due on October 1st, 1924. Back interest payments of over 40 per cent. have not been paid and it is believed that the bonds will not be paid unless some of the company's coal land is sold before that time.

Say Imposition of New Taxes Unconstitutional

From Our Own Correspondent

EDMONTON.—One of the new taxes put on this year by the Alberta government as a revenue producing scheme has already stirred up active opposition on the part of the tax-paying public. The soft drink manufacturers are taking up arms against the Beverages Act, which they claim is beyond the powers of the province, and will carry a test case to court to determine its validity. The act, which went into force at the end of April, imposes a tax of three per cent. on the gross revenue of the beverage venders, and objection is now being taken on the ground that this is indirect taxation, with which the provinces cannot deal.

Protests have also been made against the new taxes on raw furs by the local fur traders. License fees for resident and non-resident fur trading have been increased, and the traders are claiming that the fur industry is being too heavily burdened. The government takes the stand, however, that all its new taxes are fair and just and cannot be lifted or changed.

ASSERTS PARING OF EXPENSES NECESSARY

George D. Mackie Outlines Growth of West Before Union of Saskatchewan Municipalities

Some interesting points covering many phases of civic government were given by George D. Mackie, city commissioner of Moose Jaw, at the convention of the Union of Saskatchewan Municipalities at Yorkton recently.

In considering the financial affairs of Western Canada, he affirmed that we must bear in mind the rapid increase of population. He said:

"In 1921 the urban population of the province was 218,958, an increase of 24.30 per cent. over 1916, when the urban population was 176,162; this latter figure represented an income of 34.47 over 1911, when the population was 131,395. In the last decade the population of Saskatchewan increased 53.83 per cent., as compared with 21.7 per cent. for the whole of Canada, 47.3 per cent. for the three Prairie Provinces, 14.9 per cent. for the United States, and 4.7 per cent. for Great Britain."

Continuing, he commented on the marked interest being shown in local government as follows:

"Never, perhaps, in the history of our country has so much attention been paid to civics, and information is now showered on us which a year or two ago was difficult to obtain. We have our Department of Municipal Affairs' report, Town Planning report, Local Government Board report, Education report, report of the Bureau of Public Health, and Statistics report by the Dominion Bureau."

He exhibited the growing realization in the West that the difficulties which have arisen must receive attention and pointed the way out in these words:

"As there is no royal road to learning and no legitimate way of acquiring wealth save that of work, so there is no panacea for the reduction of the burden of debt and taxation which now weighs so heavily on us, save that of retrenchment and rigid paring of our expenditures. Our debt is high compared with Britain and the East, but it must necessarily be so for have we not attempted to accomplish, in giving to our citizens all the multifarious essentials and non essentials which go to make a modern urban centre, in the short space of 20 years and less, what these older centres took hundreds of years to accomplish?"

B. E. Trust Holdings in Canada Stronger

Shareholders of British Empire Trust of London, were told at the annual meeting that their Canadian investments are in an improved position. The B. C. Electric fare dispute with Vancouver, finally settled at 6 cents, has resulted in revenues showing steady and satisfactory improvement. Canadian Western Lumber faces a bright situation because of the general improvement in the lumber situation. Debenture stock arrears have dropped to 9 per cent. from 6, and it is believed the balance may be wiped off. it is expected this year. The company is also strongly interested in Winnipeg Electric Railway.

Hard Coal Miners and Operators Deadlocked

On Monday next the Anthracite Miners of the United States will decide on their stand in regard wages for the year starting Sept. 1. The workers and operators have had a committee trying to agree on a new wage scale and working agreement. They failed, and the next word will come from the mines convention on Monday at Wilkes-Barre, Pa.

So far both sides have been unyielding in their attitude towards each other, but it is also pointed out that there has been one week of conference and it was hardly expected that the spirit of give and take would have the slightest chance. It is expected that it will be well into August before any substantial progress is made toward the new agreement that is expected to forestall the threatened miners' strike.

MAY EXTEND TIME ON TAX AND SEED GRAIN PAYMENTS

Conference Recommends That Municipalities Decide on Individual Cases

The eyes of the business community are now on the West. With every prospect for a bumper crop, the hopes of many who have money tied up there in one farm or another have risen. A great deal depends on the prices ultimately realized. However, there is another aspect of the situation which has been engaging the attention of some shrewd investors. The combination of adverse circumstances of the past three years has left many farmers with heavy outstanding liabilities. Arrears of taxes and repayments on seed grain loans date back as far as 1920 in some cases. Added to this are overdue payments of interest and principal on mortgages, notes given on the purchase of implements and other debts. It is evident that the present crop, even at good prices, will not be sufficient to meet all these claims.

At a conference of a number of directors of mortgage loan associations and the U.F.A. executive recently, the situation was discussed and a resolution was passed advocating that the extension of time on taxes and seed grain liens be left to the discretion of the municipalities to decide on the merits of individual cases. The proposition was that the time of payment should be extended over a period of several years, but that the farmer should pay at least something every year.

If the taxes all fell due this year on many of the farmers, it would mean they would have recourse to the mortgage companies for help, and they in turn would have to foreclose to protect themselves. This is something the mortgage companies want to avoid. They feel that it would do no one any good, and would only give the country a bad name.

The importance of the proposals made by the loan companies for this time extension is shown by the fact that Hon. J. A. Brownlee, attorney-general of Alberta; Hon. R. G. Reid, minister of municipalities, and his deputy, J. H. Lamb, were all present at the meeting and took part in the discussion.

Halifax Collector to Face Legal Proceedings

The city council of Halifax has approved the recommendation of the finance committee calling for the dismissal of the city collector, the institution of civil proceedings against him for the recovery of the amount of money for which he is held accountable to the city, and the instituting of criminal proceedings against him for embezzlement.

Some discussion arose over the necessity of paying the accused three months' bonus of salary, but, on the city solicitor's opinion that this was necessary, the council moved to pay it.

Tenders and By-Laws

TENDERS WANTED

July 21, Prince Rupert.—$78,500, 6%, 15 and 27-year bonds, payable in Canada and New York. D. J. Matheson, Treasurer.

July 23, St. Jerome.—$30,000, 6% 20-year debentures.

July 23, St. Honore, Que.—$30,000, 6% 20-in. debentures. J. E. Bouchard, Sec.-Treas.

July 25, Can. Government Railway — $22,500,000, 5% bonds payable in equal annual instalments of $750,000 from Feb. 1, 1924 to Aug. 1, 1938.

July 23, St. Lambert, Que. — $95,000, 5½% bonds. James R. Beatty, Sec.-Treas.

July 25, Levis, Que.—$35,000, 5½% 20-ins. debentures. Lionel Lemieux, City Clerk.

August 4, Wallace R. M., Man.—$6,870, 6% debentures, due serially from 1934 to 1940. W. Whiteford, Clerk, Virden, Man.

SASKATCHEWAN

Authorizations granted by the local government board from June 23 to July 7, 1923.

Waverley, $4,200; Neufield, $900; Coma Park, $3,618; Cataraqui, $2,000; Fairmede, $6,000; Runnydale, $3,000; Lacadena, $5,000; Netherby, $2,000; Superb, $5,500; Seifert, $4,000; Edinburgh, $3,000; Wood Valley, $3.800; Bechtel, $4,500; Shellbrook, $3,800; Midale Village, $3,500; St. Alexis, $2,000; Cedric, $1,200; Helmont, $1,500; Midhurst, $2,500; Dixon, $700; Unity Union, Hospital, $11,000; Wynyard, S.D., $20,000; Heavylands, $300; Town of Estevan, $22,000; Town of Wapella, $7.000.

Villages—Kelvington, $1,800; Montmartre, $1,500; Marcelin, $2,500.

Debentures Reported Sold From June 23 to July 5, 1923.

Schools—Waler, 922, $2,400, 10 yrs., 6½%, W. A. Gillespie, Preeceville; Elderton, 2269, $4,000, 10 years, 7%, Dr. J. Jardin, Scott; Benson, 1933, $5,000, 15 years, 6½%, Regina P. S. Sinking Fd.; Speier, 726, $2,600, 8 yrs. 6¾%, Regina, P.S. Sinking Fd.; Pathlow Heights, 58, $4,200, 15 years, 6½%, Waterman-Waterbury, Regina; Bernardine, 2181, $1,500, 10 years, 7%, G. Moorhouse, Regina; Readlyn, 3293, $2,000, 10 years, 7%, Regina Brokerage & Investment Co.; Knox, 826, $1,700, 10 years, 6½%, Sutherland Sinking Fund.

AMERICANS WOULD PUT $200,000,000 ON ST. LAWRENCE

(Continued from Page 1)

Aluminum Corporation of America, which operates an export plant on the American side of the St. Lawrence River in northern New York, by the Du Pont Corporation, which is intertwined with such other world corporations as the General Motors and the Dunlop Tyre of Great Britain and by the General Electric Corporation. These people are ready to go ahead and develop one million two hundred thousand horsepower at Cat Island, between Morrisburg and Cornwall. This island is owned outright by the corporation, which also owns 4,200 feet of land along the American side of the river. They are ready to provide all the funds for the construction of a control dam, at the point 2,750 feet long and for two power houses 3,200 feet long. The cost will be in the neighborhood of two hundred million dollars. Obviously even such strong corporations could not do more than hold a minority interest in such a company.

First Steps in Bigger Plan

This construction and development which would involve approximately 600,000 horsepower for Canada and the United States would be merely the first step in the larger development of the river, which would cost about a billion and a quarter dollars. There will be five dams, six locks, six miles of navigation canal and a capacity development of 5,400,000 horsepower of electrical energy, of which 4,200,000 horsepower would belong to Canada, either to be used by the industries of this country or to be exported to the United States under such terms as the federal government, the Ontario government and the Quebec government might work out.

Col. Cooper has in mind in his plans the fact that the navigation part of the development is of importance to many people but the Frontier Corporation feel that this is entirely a matter for the Dominion and United States governments. For that reason in their initial installation of one million two hundred thousand horsepower they have provided that the government concern should pay for, own and operate navigation facilities at this point which would cost about $30,000,000 for a 30-foot channel. They are prepared to construct this at cost plus 6 per cent. in connection with the power development.

Some opposition to the plan has come from those who favor the immediate construction of the canal because they feel that having the power development carried out by private interests would interfere with the canalization of the river. This, however, is denied by Col. Cooper, who claims that he has made every provision for the navigation facilities. New York and New England interests who are opposed to the canal are also opposed to this power scheme because they feel that it is the first step towards the deepening of the St. Lawrence, and this they are opposed to on the grounds that it would divert traffic from New York and other American ports. In answer to this argument it has been pointed out that the development of power on the St. Lawrence would provide industry in the eastern United States with sufficient power to create more traffic for the ports.

Canada's Viewpoint

There are many angles from which Canada must view this proposition. But the more they study the more it becomes apparent that the development of power on the St. Lawrence is a vastly more important and feasible project than the development of the river's navigation facilities for ocean-going vessels, and the fact that Canada controls about 80 per cent. of the power on the river gives this country the more important interest in the work. Canada might permit the exploitation of this water power and its export under a sufficient tax to provide a substantial revenue for the country. Or we might allow the river to run idle as a future reserve against the curtailment of Canada's supplies of power in the shape of coal. But private interests are pressing for the outlining of a policy by the various governments concerned and they are eager for an answer.

Bond Issue Finances Light in Isle Perrot

MONTREAL. — Offering will shortly be made by Beauregard and Beauregard of a small issue of $40,000 of bonds of the Electrical Company of Isle Perrot. This company has had an electrical distribution system in operation in Isle Perrot since May 15. Isle Perrot is an island adjacent to Montreal that is very popular with summer residents particularly. It is understood that a summer hotel is to be built and several small industries are likely to locate.

The bonds will pay 6 per cent. interest and will mature in ten years and a sinking fund is being provided for. They will likely be offered to yield 6½ per cent.

The company is now distributing about 250 h.p., the power being purchased from the Montreal Light, Heat and Power Company.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date	Place	Sold to	Rate	Term	Amount	Price	Basis
July 11	Trenton, Ont.	Bain, Snowball & Co., Toronto	5½%	30-ins.	$30,000	100.37	5.47
July 10	Terrebonne County	Rene T. Leclerc, Montreal	5½%	10-yr.	51,000	99.50	5.57
July 5	Saskatchewan Schools, etc.	Various			24,500	....	...
July 16	Shawinigan Falls R. C. Schools	McLeod, Young, Weir, Toronto	5½%	1945-52	42,800	99.12	...
July 16	Fort Erie	Sterling Bank, Toronto	5½%	20-yr.	10,000	99.25	...
	CORPORATION						
July 11	Asbestos Mines	Credit Canada, Montreal	8 %	10-yr.	$250,000	....	...
July 13	Maple Leaf Milling	Osler & Hammond and Syndicate	6½%	20-yr.	2,000,000	....	...
July 11	Cote, Bowin & Co.	Credit Canada and Syndicate	7 %	1925-33	350,000	100.	...

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INSURANCE FOR BUYER AND SELLER

TRUSTED OFFICER FORGED FIFTEEN HUNDRED CHECKS

Firm Carried Forgery Insurance to the Amount of $5,000

From Our Own Correspondent

MONTREAL.—A smooth young gentleman, with a particularly sharp sense of humor, forged the name of a Montreal finger print expert the other day and got away with $50 as a result. He has not yet been caught, but the hotel that was victimized carried forgery insurance and its claim for the loss has been paid.

The insurance company that paid the claim, the company that writes the most forgery insurance in Canada, has recently had a number of interesting claims to pay that have demonstrated the breadth of the field for this type of insurance. There has, it may as well be admitted, been a lot of criticism of forgery insurance in Canada. One ground of criticism has been that the protection gives the insured no real benefit in that a forged cheque charged against his bank account is not a loss to him. The bank can in most cases be held liable for having paid money out on the cheque. The banks themselves have not been buyers of forgery insurance because their branches are so numerous and cover Canada so widely that the cost has been considered by them as prohibitive. They have preferred to carry their own risks.

But the criticism mentioned does not take into consideration merchants, hotel keepers and others who may cash cheques and who have no recourse against banks or any one but the forger if they get caught with a bogus cheque. With these forgery insurance has been quite popular.

Forged 1,500 Cheques

Two other recent cases indicate the possibilities of forgery insurance for industrial companies. In one case the paymaster of a Winnipeg firm forged more than 1,500 cheques for amounts totalling some $43,000. The forgeries were committed over a term of three years, from 1920 to this spring, when he was caught. His firm had branches at many points. All the pay rolls were sent in from the branches to the paymaster who issued cheques to each individual worker and made out a receipt for the employee to sign. When the rolls came in he would always add a number of fictitious names; he would make out cheques and receipts for each and the responsible officers of the firm would sign the cheques. The paymaster would then endorse the cheques with the fictitious names and cash them, signing the same name to their respective receipts. His system was simple, but it was successful for three years before he was found out. The firm for which he worked carried forgery insurance to the amount of $5,000, which only partially covered their losses.

Another Forgery Case

The other incident was staged in Toronto, and here again it was a trusted official who cheated his firm and his forgeries also extend over a period of three years—from 1920 to 1923. The culprit was the bookkeeper and later secretary-treasurer of a manufacturing company. He forged about 29 cheques of from $50 to $1550, and totalling about $26,000 so far as a careful audit of the books has been able to show. Once he had the authorized officers of the firm fill and sign a cheque for $50, which he raised to $1,500. At other times he completed blank cheques that they had left signed by filling in various amounts. He covered up his thefts in a simple enough manner. When the firm's bank book would come back at the end of the month with cancelled cheques it was his duty to check over the figures. He would destroy all the cheques that he had tampered with and altered the bank book and other books of the company to conceal their existence. The only record of the cheques remained on the books of the bank and even the auditors of the firm were fooled for three years. Finally the firms bank manager became suspicious and warned the company officers. A stricter audit was then instituted and the employee was forced to confess. His father and father-in-law have each mortgaged their farms and the employee has sold his house and furniture to meet the debt so far as possible. He had given his demand note for the $7,000 that has not been paid in this manner, and no prosecution is being attempted nor will be pressed so long as he remains honest and willing to make good his defalcations as rapidly as possible.

No Recourse Against Banks

In this case there could be no recourse against the bank even if the bank had been negligent in paying cheques that had been raised, for all the evidence had been destroyed.

The case of the finger print expert was somewhat different. Some time ago a salesman called at the finger print expert's office. While there he took a sheet of the expert's office stationery remarking that the fancy design at the top fascinated him. On this stationery he wrote a letter to a hotel manager in Montreal, who had taken an interest in the finger print man's work and simulating the writing and signature, he asked the hotel manager to cash a cheque for a "friend" whom the letter introduced. The sharper then presented the letter himself and his cheque was cashed. But it came back marked "no account."

This year companies writing forgery insurance state that their losses are exceeding their premiums. For the past few years the business has seemed very profitable, according to the blue book figures, premiums being much over losses. But it is explained that the policies are written on a three-year basis and the apparently good experience was partly explained by the fact that the premiums received were properly chargeable over a three year period.

Must Notify Insurance Company When Moving

Those who are changing the use of a building or moving the contents of any building where insurance is held on either should examine the provisions of the policy. In such cases most companies require a notification to be sent them, or their agent, describing the proposed changes. If they are acceptable an endorsement allowing the change is usually attached to the policy. Failure to fulfil the conditions may result in serious loss. An example of this is seen in a legal action tried before the Nova Scotia Supreme Court a few months ago. The judgment given in this case, Kourzswoine versus Mutual Fire Association of Canada, was:

"Where in policies of fire insurance on the building and furniture the building is described as a 'dwelling (small boarding house)' the occupation of such building as a store constitutes a material change to the risk, which vitiates the policies on the building and furniture where no notice of the change has been given in writing as required by the policies.

"Insurance on a stock of groceries which by the express terms of the policy applies 'only while contained in the two storey frame felt paper roofed building situate and being No. 48 on the south side of Tupper street,' cannot be recovered when the loss occurs after the removal of the goods from these premises and while they are contained in another building not named in the policy."

In cases where a removal of furniture had taken place from one building to another of similar construction, if no suspicion of illegal actions existed, an insurance company might pay a fire claim even though no notice had been given. In fact there are many instances where this has been done. However, the only safe way is for the owner to comply with the conditions of the policy in this respect, as he has no legal right to collect after having neglected this point.

Commonwealth Life Makes Good Showing

The Commonwealth Life and Accident Insurance Company of Hamilton issued $2,017,994 of new insurance during the first six months of 1923. This company was organized last year and has been successful in securing a good volume of business. It is one of a number of recently organized companies in Canada. The success of these companies is being watched by many business men since competition in the life insurance field is regarded as being especially keen and some maintain that it is almost impossible for a new company to secure a great deal of business.

The Federal Fire Insurance Company of Canada which commenced business on January 2 last had had a net premium income, less rebates, for six months, of $87,821.94. The loss ratio for this period has been 14.51 per cent.. The company operates on a non-tariff basis and its growth has been rapid. The loss ratio for the period has been 14.51 per cent., which is remarkably low, especially at a time when most companies are experiencing abnormal losses. The company's head office was formerly in the General Assurance Building, Toronto, but the growth of the business has necessitated larger quarters. The new office is located in the Federal Building.

MERCHANTS CASUALTY DIRECTORS

At a meeting of the board of directors of the Merchants Casualty Company held at Waterloo on July 13th, Hon. Smeaton White, of Montreal, and Mr. E. K. Reiner, of Wellesley, Ontario, were elected directors of the Company.

CLAIM COMPANIES PAY FIRE LOSSES TOO READILY HERE

Appointment of Attorney to Fire Marshal's Department Advocated

The heavy fire losses experienced by the fire insurance companies continue to command attention. An article in the New York Journal of Commerce, criticizing the situation in Canada has occasioned considerable comment. It says:

"One of the most serious complaints about the fire insurance situation in Canada is that concerning the way losses are handled. One company official says that there are only a few really first class fire insurance adjusters in Canada. Some of these are in the service of individual companies, but the territory from Halifax to the Soo is too great for one man to cover, and the number of competent independent adjusters is very limited. There are no adjustment bureaus in Canada, and it is the opinion of some executives that this is a serious want."

It is admitted by the companies that the supply of efficient adjusters is not as great as might be desired. However, there are certain difficulties inherent in rural districts. Most adjusters are paid on a fee basis and in districts which are sparcely settled, there are not sufficient adjustments to justify a full time man. Consequently the inspection of fires requires much travelling at such a high cost, as to make it unprofitable for the adjusters to take it.

The Journal says further:

"As the result of the incompetent handling of adjustments companies are convinced that in many cases they pay much more than they ought to. Another feature is the treatment of moral hazard losses. An officer of an American company says that in Canada public sentiment is stronger in condemnation of arson than it is in most parts of the United States, and the public officials are ready to do their duty. It is claimed, however, that many fires which ought to be investigated are not brought to the attention of the fire marshals or other officials, but the losses are settled.

"One executive says that he gets word from a general agent that a large loss has occurred. Then the general agent employs an adjuster or other person at heavy expense to investigate and eventually writes in that other companies have paid on a certain basis and his company would better do the same."

It is no doubt true that the companies pay claims in many cases, where the loss is brought about by illegal means. Few, however, appreciate the difficulties of proving such a charge. The courts have, on the whole, taken the attitude that the company, knowing the technical points in insurance, will take all possible precautions against what are known as moral hazards. This, coupled with the possibility of adverse publicity, has led the companies to avoid litigation wherever possible.

In a case of this nature reported in THE FINANCIAL POST last week, a local fire company was awarded a decision against a claimant under a policy. Commenting on it, the manager of a large insurance company asserted that the practice of paying claims to avoid disputes is now a factor in increasing the moral hazard and that more resistance would aid in cutting down the moral hazards.

From time to time criticism of the fire marshal's departments is raised. It is pointed out by one official that a great need of these departments is the service of a competent attorney to attend to prosecutions. He complained that many local attorneys are not familiar with insurance law, and as a result important points are overlooked. While all companies realize the difficulties in resisting claims, there is a growing feeling since the heavy losses in recent months, that some concerted action must be taken to provide against unnecessary losses occasioned by arson, wilful negligence and other similar causes.

Banker Lets Pledged Policy Lapse; is Liable for Damages to Insured

The use of life insurance policies as credit has experienced a wide expansion in the past ten years. It is now used as an additional credit for many classes of loans, such as mortgages, industrial bond issues, and especially commercial bank loans. During the past year in Ontario a small company manufacturing bricks sold an issue of bonds. Behind them was a closed first mortgage on the property of the company, but the payment of interest depended largely on the successful operation of the plant. This in turn depended largely on the good management of the officer in charge. In case of his death, the earnings of the company and subsequently the bondholders would suffer. As a protection against this, the manager's life was insured in favor of the bondholders.

In another case, a large company manufacturing heavy hardware had been established for many years. The business had been carried on as a registered partnership. So successful had it been that the trade name of its products was a household word from coast to coast and its financial standing was scarcely questioned. During the war years business was brisk and the company expanded. When the slump in business came it had in store heavy stocks of goods, produced at high prices, and heavy loans at the bank. A loss was inevitable, but the bank was persuaded to advance further supplies of working capital to carry the firm over the dangerous period, on condition that it was made beneficiary to life insurance policies on the lives of the partners for an amount sufficient to cover its entire loans. On this basis the company continued and is now approaching its former position.

Such arrangements are on the increase to-day and the mistakes in completing them are worthy of attention. The case of Labonte versus Banque d'Hochelaga tried in the Quebec superior court brings to attention an important factor. The judgment declared in part that:

"A creditor to whom a life insurance policy is pledged as collateral security for the debt and who undertakes to pay the premiums on the policy and who after making several payments discontinues paying, and without notifying the insured allows the policy to lapse is liable upon payment of the debt to the bank for which the policy was pledged, for damages sustained by the insured by reason of the lapse of the policy. The debtor not having reimbursed the creditor for the necessary expenses of preserving the pledge, is only entitled as damages to the cash value of the insurance policy when he ceased to pay the premiums.

In most cases the insured is required to pay the premium on a policy he has pledged as security for debts. However, if these are not paid, the creditor should pay them for his own protection; otherwise the policy will lapse. If an arrangement is made by which the creditor will pay the premiums, this case makes it plain that he must not discontinue paying these without notifying the insured. It is clear that the policy is only pledged temporarily with the creditor as security, but belongs to the insured, and if it lapses he may be unable to have it reinstated, thus resulting in a loss to him. The court has determined, however, that in such a case the insured cannot collect the face of the policy but only the cash surrender value when he himself stopped paying the premiums.

As much care should be taken in the assignment of policies as in any other legal agreements. Definite restrictions are imposed by law and failure to meet the requirements of these may result in useless and costly litigation.

New Insurance Licenses Issued by Department

During the week a license was issued by the Department of Insurance to the British Oak Insurance Company to write automobile, employers' liability, and inland transportation insurance, in addition to the classes for which it is already licensed.

A license has also been issued to the British and European Insurance Company for the transaction in Canada of the business of fire insurance and insurance against damage to property of any kind caused by the explosion of natural or other gas.

T. F. Dobbin has been appointed chief agent for the company in Canada, with offices at Montreal.

Union of Canton Issues Satisfactory Statement

At the annual meeting of the Union Insurance Society of Canton, the chairman, Hon. E. V. D. Parr, commented on the changing conditions which have caused great difficulty to the insurance companies in recent years, especially in the case of marine insurance. Referring to his company in particular, he stated that the change had forced a restricted market for their insurance, resulting in a lower premium income.

The balance sheet shows that all phases o fthe company's business have been well maintained, especially in respect of losses, which have been low in comparison with those experienced by most companies. The company has a large accident business in this country.

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INLAND TRANSPORTATION
RIOTS and STRIKES EXPLOSION

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HEAD OFFICE: WINNIPEG, CANADA
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BRITISH EMPIRE TRUST

STRONG AND SATISFACTORY POSITION

The twenty-second ordinary general meeting of the British Empire Trust Company, Ltd., was held on Monday, July 2, at the Abercorn Rooms, Liverpool-street Hotel, London, England, Mr. J. Davidson, (Deputy-Chairman and Managing Director) presiding.

The Secretary (Mr. H. M. Cox) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Ladies and gentlemen.—As the report and accounts have been in your hands for some time, may we take them as having been read? ("Agreed.") Before going on with the proceedings of the meeting I have to apologise for the absence of two of the directors—I am sorry to say, on account of ill-health. Mr. Blundell Brown writes to me that his doctor will not allow him to go out, but that he hopes to be about again in ten days. He much regrets being absent, as this is, I think, the first time in 20 years that he has not been at the annual meeting of shareholders. I have also to apologise for the absence of your Chairman, Mr. R. M. Horne-Payne, also, I regret to say on account of ill-health. I want to take this opportunity of paying a tribute to your Chairman, Mr. Horne-Payne, for the amount of skill and time which he expends in the company's interests.

Mr. Horne-Payne's Address

With your permission, I should like to read to you his address. He says:—

"Ladies and gentlemen, it gives me great pleasure to be able to place before you to-day a statement of affairs which shows the company to be in a very strong and satisfactory position. As stated in the report, the income from trusteeships, etc., is well maintained, and while the income from investments is somewhat lower this year than last owing, as foreshadowed in my remarks last year, to the greater difficulty of employing money safely at high rates of interest such as prevailed for some time after the war, the total gross revenue is substantially higher at £113,821 3s, and after providing for all expenses and outgoings, including income-tax and corporation profits tax, the net income is £84,062 10s 6d, which, with the amount brought forward from last year, leaves a total of £134,515 11s 8d available for distribution.

"After providing for the payment of the dividends recommended by the directors—namely, 8 per cent. on the Employees' Profit Participating shares, 5 per cent. on the Preferred Ordinary shares and 7 per cent. on the Deferred Ordinary shares—there remains to be carried forward to the current financial year a balance of £94,849 10s 4d, or a sum equal to 12½ per cent. of the entire capital of the company, or, put in another way, a sum sufficient to pay for three and a-half years the present rates of dividends on the Preferred and Deferred Ordinary shares.

Question of an Increased Distribution

"In view of this position, some of you may think that the directors might have recommended you to pay increased dividends on the Preferred and Deferred Ordinary shares this year. The directors had this under consideration, but they came to the conclusion that their first duty to the shareholders was to keep the company in an absolutely unassailable position. Shareholders must bear in mind that a considerable amount of the profits of the past two years has been derived from appreciation of investments which may not, and almost certainly will not, in future years, be repeated on so large a scale. Indeed, we must be prepared for our investments even to show a depreciation with the advent of less plentiful and dearer money. The shareholders will also bear in mind that the company is now acting as trustees for sums aggregating the enormous amount of £67,000,000, and they will appreciate that, if the revenue from this source is to be maintained and to grow, the company must be maintained in such a strong position that it will continue, as now, to be accepted without question as trustees when opportunity offers, and also that in the matter of finance its undertaking will continue to be regarded as unquestionable, as is the case at the present time. I am obviously not able to make any promises as to increased dividends, but my own personal feeling is that, if the surplus reached £100,000, and there were reasonable prospects of this figure being maintained and increased year by year, the directors would be justified in recommending an increased distribution.

"The most important financial business which we have undertaken during the year has been the finance of the establishment of an electrical power generating station and distribution system in West Gloucestershire. The area to be supplied with light and power is one of those mapped out by the Electricity Commissioners as suitable for the operation of a central power station, and covers some 300 square miles, and includes the Forest of Dean coalfield, where almost continuous pumping is required to keep the pits clear of water. It also covers the Stroud Valley industrial district. The construction of this power station was commenced only in January last. The construction of the station itself is now practically complete, and the main distribution system is expected to be completed before the end of the present year. The enterprise will meet the growing requirements for light and power of a large industrial and residential area, and we are confident will prove a financial success.

The British Columbia Electric Railway

"Having said all there is to say about our own company, I think you will expect me to say something about some of the companies with which we are connected. Taking first of all the British Columbia Electric Railway Company, I have explained to you at previous meetings the great difficulties which this company had to contend with in order to have the fares which it might collect established on a basis adequate to offset the greatly increased operating costs resulting from higher wages and increased cost of materials. Authority to charge a 6-cent fare in the city of Vancouver was granted to the company and extended from time to time for various periods, but uncertainty as to the future always remained owing to the absence of any agreement as to the basis upon which fares should be revised, if necessary, at the end of the authorised periods. At our last annual meeting I was able to tell you that negotiations were in progress which, if satisfactorily concluded, would remove the continuous uncertainties to which I have referred above, and which had such a disturbing effect upon the company's credit. I am glad to be able to say that the negotiations were successful, and that an agreement of a fair and equitable character, satisfactory alike to the City of Vancouver and the company, was concluded, establishing the fare in the City of Vancouver at 6 cents for a period of three years from 8th November, 1922, and providing that, at the end of that period, either party shall, if a revision of fares to be charged be desired, be entitled to have the fares revised by mutual agreement, or, failing mutual agreement, by arbitration. The machinery, therefore, for settling future fares without disputes is now provided, the relations between the company and the authorities in Victoria and Vancouver were never more cordial, and the company looks forward with confidence to a prolonged period of peace and prosperity. As the result of the above settlement, the company was able, on 1st January last, to reduce its charges for domestic lighting from 6 cents to 5 cents per unit. This is, of course, a great advantage to the citizens of Vancouver.

"Since the beginning of January the company's revenue shows the following satisfactory improvement:

	1922	1923	Increases
January . .	$907,242	$928,187	$20,945
February .	821,828	836,794	14,966
March . . .	849,680	874,663	24,983
April . . .	818,177	852,992	34,815
May	827,701	858,965	31,264

Monterey Railway, Light and Power Company

"Since its reorganization in 1921, the Monterey Railway, Light and Power Company has been able to pay regularly the interest on its Five Per Cent. 'A' First Mortgage Debenture stock. It has not yet been found possible, however, for the company to arrive at a settlement with the Government of the State of Nuevo Leon in respect of the moneys due to the company under the State guarantee in connection with the water and sewage concessions. When a settlement of this matter is effected and political conditions throughout Mexico improve, this company should again make satisfactory progress.

Canadian Western Lumber Company, Limited

"Last year I had pleasure in being able to tell you that the Canadian Western Lumber Company, Ltd., was in a very strong position, and that it would not be long before it was able to pay off the balance of the arrears of interest on its First Mortgage Debenture stock. At that time the arrears were approximately 16 per cent., and by a repayment of 7 per cent. on 1st June this year the arrears have been now reduced to about 9 per cent. Under the able management of Mr. McCormick the position of the company is now stronger than at any previous time in its history, and it will not surprise me if this year's operations result in the complete repayment of the arrears of the interest on the First Mortgage Debenture stock.

"The sales of lumber during the first five months to 31st May, 1923, show an increase of 6,344,722 ft. as compared with the corresponding months of the previous year.

Winnipeg Electric Railway

"There is very little to say regarding the Winnipeg Electric Railway. The continuation of the general industrial depression during 1922, together with a small reduction in fares, affected to some extent the gross earnings of the company, but economies were made in working expenses, with the result that the net earnings of the company for the year were well maintained.

Canadian Western Natural Gas, Light, Heat and Power Co.

"Those of you who are interested in the securities of the Canadian Western Natural Gas, Light, Heat and Power Company, Ltd., will expect me to say something regarding the present position. At the last annual meeting on 3rd July, 1922, I reviewed the position down to that date. The position at that date was, you will recollect, that the City of Calgary had brought on action against the Canadian Western Natural Gas, Light, Heat and Power Company, and a separate action against the Calgary Gas Company for an order declaring the decision of the Public Utilities Commission—which Commission, it will be remembered, made an order on 30th November, 1921, fixing the charge of 48 cents, net per 1,000 ft. for all gas sold in the City of Calgary for domestic purposes, as compared with 35 cents per 1,000 ft. previously charged by the company—to be null and void, and directing specific performance of an alleged obligation to sell gas at 35 cents per 1,000 ft. in the City of Calgary, or, alternatively, declaring that the company has no right to sell gas at all within the City of Calgary.

A Voluntary Agreement

"Before these actions could be disposed of, the Public Utilities Commission, at the instance of the City of Calgary, ordered a rehearing of the case regarding the rates to be charged by the company, and requiring the Gas Company to show cause why the order of the Commission of 30th November, 1921, before referred to, should not be revoked. During the rehearing of the case a voluntary agreement was entered into between the City of Calgary and the company, and was executed on 30th November, 1922. This agreement recognized the right of the Gas Company to charge 48 cents per 1,000 ft. until 1st November, 1923, after which date it provided for a periodical revision of the price to be charged on a basis mutually agreeable to the City and the company. The agreement of 30th November, 1922, was contingent, however, upon the Gas Company entering into an agreement satisfactory to the City of Calgary with certain parties owning gas supplies at what is known as the Redcliff Field. After somewhat protracted negotiations, a draft agreement with the owners of the Redcliff Gas Supplies was submitted by the Gas Company to the City of Calgary, but was rejected by the City. The result of this is to render inoperative the agreement of 30th November, 1922, before referred to, between the City of Calgary and the Gas Company, and the Gas Company is now operating under the order of the Public Utilities Commission of 30th November, 1921, which, as I have before stated, gives them the right to charge 48 cents per 1,000 ft. for gas.

Latest Advices

"Our latest advices are that the City of Calgary have stated that they will do nothing to hinder the Gas Company in its efforts to obtain an adequate supply of gas, and the company is at the present time engaged on the drilling of two new wells. It is hoped that from these two wells and the drilling of a third well, which is in contemplation, the company will secure a satisfactory additional supply of gas. In this connection the Public Utilities Commission have fixed 1st October next as the date on which supplies must be augmented, and have intimated that if the supplies are not augmented by that date the question of supply and price of gas to the City of Calgary will be reviewed by the Board.

"We can only hope that the company will be successful in its efforts to increase its gas supplies, and that it will be left in peace to continue to sell gas at the very reasonable price now being charged."

Gentlemen, before inviting questions, I should like to move: "That the accounts for the year ended 30th April, 1923, and the reports of the directors and auditors thereon be received and adopted."

Brigadier-General E. F. O. Gascoigne, C.M.G., D.S.O., seconded the resolution, and, after the Chairman had replied to some questions put by Mr. C. H. Wilkinson, it was carried unanimously.

On the proposition of the Chairman seconded by Mr. D. Northall-Laurie, F.I.C., the dividends as proposed were approved.

The Chairman then proposed, Major the Viscount Stopford, O.B.E., seconded, and it was unanimously approved, that the retiring directors, Mr. R. M. Horne-Payne and Sir William Mackenzie, be re-elected.

On the motion of the Chairman, seconded by Brigadier-General Gascoigne, the appointment of the Viscount Stopford to the Board to fill the vacancy caused by the resignation, through ill-health, of Mr. Norman Scott-Russell, M.I.C.E., M.I.E.E., was approved.

The auditors, Messrs. Robertson Hill and Co., were reappointed, on the motion of Mr. F. C. Simpson, seconded by Mr. H. Duncan Robson.

A vote of thanks to the Chairman and directors for their efforts on behalf of the company, and for the success which they had achieved, proposed by Mr. Wilkinson and seconded by Mr. Simpson, concluded the proceedings.

Building Shows General Decline Throughout the Whole Dominion

Permits in June in 46 Cities Show Drop of Nearly Two Million—Half Year Total Shows Advance Over 1922 Due to Activity Earlier in Year

There was a general falling off in building permits issued throughout the Dominion in June. The total for 46 cities shows $12,584,229, as compared witht $14,572,026. The decline is heavier in the east, but more general in the west. Of 29 eastern cities 9 show increases and the rest losses. Of 17 western cities only one, New Westminster, showed an increase. London led the way in increases with an advance just short of a quarter million.

The half year, however, shows up much better due to the spurt which building took just after the turn of the year. At that time a good margin of increase was piled up and that margin is now standing the 1923 record in good stead. The increase for the Dominion for the first half of 1923 was $3,874,826, the totals being, 1923, $65,050,258; 1922, $61,175,432.

Eastern cities show a general increase over 1922, while in the west the opposite is the position. Of 29 eastern cities, 12 show increases and the balance losses. All the Maritime cities are in the loss column. To Montreal is due the good eastern showing, its increase being larger than that of the rest of the east together. In fact leaving Montreal out, the eastern cities remaining would show a loss.

Five western cities show an advance over the previous year and the other 12 show declines.

The figures follow:

BUILDING PERMITS ISSUED IN JUNE

EASTERN CITIES

				6 Months		
Maritimes—	June 1923	June 1922	Change	1923	1922	Change
Halifax . . .	$ 38,315	$ 183,330—	$145,015	$ 167,532	$ 958,128—	$ 790,096
Moncton . . .	65,591	288,800—	223,209	153,341	619,993—	466,652
New Glasgow	1,400	18,400—	17,000	11,475	31,695—	20,220
St. John . . .	83,900	15,000+	68,900	237,000	295,000—	58,000
Quebec—						
Montreal . . .	2,230,820	2,558,977—	328,157	15,470,127	9,142,774+	6,327,353
Quebec . . .	1,220,439	438,190+	782,249	2,304,678	1,712,469+	592,209
Sherbrooke . .	128,500	136,000—	7,500	312,800	437,000—	124,200
Westmount . .	248,391	357,635—	109,244	954,416	918,315+	36,101
Ontario—						
Brantford . .	128,745	48,370+	80,375	351,135	208,130+	143,005
Chatham . .	45,050	41,375+	3,675	126,020	138,955—	12,935
Ft. William .	61,900	67,350—	5,450	924,375	253,300+	671,075
Hamilton . .	343,445	440,575—	97,130	2,634,410	2,776,715—	142,305
Galt	16,775	59,940—	43,165	52,425	188,468—	136,043
Kingston . .	36,832	38,312—	1,480	523,525	195,595+	327,930
Kitchener . .	262,285	560,945—	298,660	1,030,207	1,631,070—	600,863
London . . .	566,035	317,180+	248,855	1,884,925	1,366,325+	518,600
Ottawa . . .	309,360	409,000—	99,640	1,609,702	2,422,966—	813,264
Peterborough.	53,127	29,389+	23,738	153,438	328,519—	175,081
Pt. Arthur . .	85,590	29,770+	55,820	2,207,019	910,102+	1,296,917
Sarnia . . .	53,125	77,525—	24,400	373,247	451,731—	78,484
St. Ste. Marie.	64,810	63,450+	1,360	183,995	349,368—	165,373
St. Catharines.	52,505	151,088—	98,583	354,062	473,965—	119,903
St. Thomas . .	175,475	16,550+	158,925	252,701	106,857+	145,844
Stratford . .	55,455	62,533—	7,078	261,962	571,214—	309,252
Toronto . . .	4,032,530	4,392,980—	360,450	18,049,732	17,893,725+	156,007
Welland . . .	1,325	104,311—	102,986	102,045	220,681—	118,636
Windsor . . .	311,705	440,025—	128,320	2,706,665	2,474,210+	232,455
Woodstock . .	21,761	50,033—	28,272	169,396	155,776+	13,620
York Twp. . .	758,900	1,238,300—	479,400	5,335,900	6,068,150—	732,250
Ttl. 29 E. cities	$11,454,091	$12,635,333—	$1,181,242	$58,898,255	$53,301,196+	$5,597,059

WESTERN CITIES

	June 1923	June 1922	Change	1923	1922	Change
Manitoba—						
Brandon . . .	23,469	30,305—	6,836	56,464	103,020—	46,556
St. Boniface .	43,988	107,869—	63,881	170,068	286,683—	116,615
Alberta—						
Calgary . . .	108,200	161,400—	53,200	545,960	1,020,300—	474,340
Edmonton . .	136,755	246,975—	110,220	629,130	1,059,550—	430,420
Lethbridge . .	4,260	12,270—	8,010	93,900	94,470—	570
Med. Hat . .	2,400	2,480—	80	12,265	9,775+	2,490
Saskatchewan—						
Moose Jaw . .	7,970	49,692—	41,722	128,676	195,730—	67,054
N. Battleford.	Nil	9,480—	9,480	Nil	9,480—	9,480
Prince Albert.	4,300	19,953—	15,653	207,740	76,346+	131,394
Regina . . .	221,990	381,100—	159,110	794,480	994,120—	199,640
Saskatoon . .	172,725	279,545—	106,820	547,438	1,247,735—	700,297
Weyburn . . .	1,180	4,020—	2,840	10,605	15,005—	4,400
Yorkton . . .	13,520	71,300—	57,780	33,220	114,650—	81,430
British Columbia—						
Kamloops . .	15,785	73,120—	57,335	64,020	100,240—	36,220
N. Westmin'r	97,805	35,700+	62,105	204,733	137,475+	67,258
Vancouver . .	232,830	384,530—	151,700	2,230,159	2,013,431+	216,728
Victoria . . .	42,961	66,954—	23,993	423,145	396,226+	26,919
Ttl. 17 W. cities	$ 1,130,138	$ 1,936,693—	$806,555	$ 6,152,003	$ 7,874,236—	$1,722,233
Gr. Ttl. 46 cities	$12,584,229	$14,572,026—	$1,987,797	$65,050,258	$61,175,432+	$3,874,826

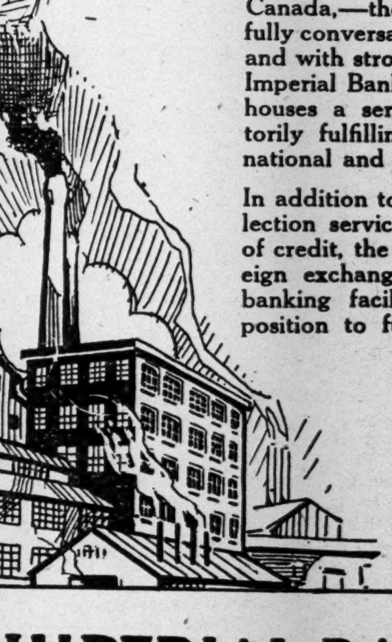
Increased Value of The B. C. Salmon Pack

From Our Own Correspondent

VICTORIA.—Although the British Columbia salmon pack last year was worth considerably more than in 1921, the total revenue is small when compared with that of previous years, before the Fraser and other famous salmon rivers began to show signs of depletion.

The value of the pack last year was $11,247,000, according to the official estimate just announced, as compared with $8,557,602, but in 1921 there was the smallest pack on record, except in the years of the industry's infancy. The catch of salmon in 1921 was $6,551,236 less in value than that of 1920.

The Bank and your Business



A Bank must have full and adequate facilities and be ready to co-operate willingly if it is to be of the greatest service to a business concern.

With over 190 branches throughout Canada,—the managers of which are fully conversant with local conditions—and with strong affiliations abroad, the Imperial Bank is able to offer business houses a service capable of satisfactorily fulfilling all demands of local, national and foreign trade.

In addition to a highly specialized collection service, the issuance of letters of credit, the purchase and sale of foreign exchange, and all other regular banking facilities, this Bank is in a position to furnish dependable information on all questions of finance. Inquiries from executives regarding our facilities, are invited.

IMPERIAL BANK OF CANADA

ACCEPTING U. S. AS OUR BANKER

(Continued from page 10)

drain cannot but be felt. It will help to slow down the national effort toward re-establishment, to a notable degree.

"National, provincial and municipal authorities may well take their cue from the individual citizen and quit borrowing money; any loans which cannot be avoided had better be floated at home. Canada needs an immigration of money but not of money borrowed by public bodies for expenditures which do not produce revenue. The cheerful habit of issuing bonds should be given a long rest. Nothing else will permit the earning capacity of the country to develop strength to carry its present load."

Will this inflow of American money continue? The Regina Leader thinks it will "as long as Canada requires foreign capital for the development of industries and the promotion of agriculture a plentiful supply apparently may be had from immediately south of the international line." The one danger signal to stem the stream, which looms before the Regina Leader, "the adoption in this country of unsound financial practice," is immediately dismissed as "a remote possibility indeed."

British Alarms Groundless

Englishmen apprehensive of the Americanization of Canada by reason of this "financial conquest"—to quote the recent warning uttered before the Canadian Chamber of Commerce in London—are assured that their alarms "are groundless," by the Ottawa Journal. "Nor need we be disturbed lest the peaceful penetration of American capital into Canada undermine our loyalty and endanger our independence," says the Montreal Gazette, reminding that Great Britain lent a deal of money to the U. S., a rebellious nation when driblets were coming to the colony of Canada, and that "the U. S. survived the inflow of British capital to which its early development was due."

Any gentleman with a duster sweeping over Canada from Halifax to Nanaimo will fail to find Canadian patriotism tarnished by contact with American dollars. He will, however, find a firm, increasing conviction that Canada can make no concrete move of herself in changing bankers. It is plainly "up to" London. "If British capital wants to regain its position in Canada the only practical way is for it to take active steps to recover its market," insists the Toronto Mail and Empire. Vastly greater investment than has yet taken place will be required to alter Canada's empire affiliations in the opinion of the Ottawa Journal, which says, "it will be a long time even at the present rate of progress before 75 per cent. of the natural resources and industries of Canada pass under American control; and as for the Americanization of the country, that is a mere dream. It cannot and will not take place, especially under the influence of American money."

"As long as Great Britain was in a position to supply all of the capital required by the Dominion, Canada gladly accepted, and there is no doubt that Canadians would be pleased if Great Britain were still in a position to do this," in the words of the Regina Leader.

In the final analysis: "Canada wants all the capital she can acquire, whether of brawn, brain, or money, and is not scrupulous whence it comes, for where the treasure is, there will be the heart also," to quote the conclusion of the Montreal Gazette.

CANADA SHIPPED 100,000 GALLONS WHISKEY TO U.S.

This Figure Reached in 1922-1923—A Large Increase

From Our Own Correspondent

MONTREAL.—Canada has no legislation that curbs rum-running from this country into the United States. So long as proper clearance papers are obtained for shipments and all formalties connected with export from this country are observed, liquor may be exported from Montreal, Vancouver, Windsor, Fort Erie and other ports openly and freely. As a result rum-running has provided a tidy bit towards Canada's favorable balance of trade. Total shipments of alcoholic beverages from Canada in the fiscal year 1923 were $5,906,326, as against only $1,790,249 in the previous year.

The most important increase in shipments was to the United States. In addition, $2,097,026 of alcoholic beverages not manufactured in this country were exported from Canada, chiefly to the United States. Seventy thousand gallons of whiskey imported into Canada was later exported to the United States, in addition to thirty thousand gallons of Canadian whiskey. Canada became a way station for Scotch whiskey.

Perhaps much of the whiskey, beer and rum exported from Canada to the United States went for medicinal purposes, but the large increase makes the figures look suspicious. And the large increase in exports to Cuba, and Mexico are equally tell-tale. Many shipments in bond to Mexico, it is stated, never reached that country.

The Individual Liquors

Some figures of the individual products are interesting. In 1921 Canada shipped 51 gallons of beer to the United States. Last year 1,349,000 gallons were exported to that country. Beer shipments to Cuba and Mexico were, however, reduced.

In 1921 Canada shipped 1,616 gallons of whiskey to the United States and in 1923 exported to that country 28,568 gallons of whiskey. Shipmnets of whiskey labelled for Cuba doubled from 30,000 gallons to 60,000 gallons in that period and shipments of whiskey labelled for Cuba gallons to 43,891 gallons.

Considering all alcoholic beverages shipments to the United States, which in 1921 had a value of $393,158, rose to $925,987 in 1922 and to the record figure of $3,178,908 in 1923.

The figures given include only exports of Canadian produce. But a large part of Canada's imports of alcoholic beverages are re-exported and the figures for such exports should be added to the total, not to arrive at the benefit of Canada's trade balance, but to estimate the extent of liquor shipments from this country. Whiskey was the most important of such liquors shipped to the States and the exports grew from 4,863 gallons in 1921 to 17,159 gallons in 1922 and 70,784 gallons in 1923. In fact, shipments of imported whiskey from Canada were more than double the shipments of Canadian-made whiskey.

A plant has been purchased at Three Rivers, Que., by the George Christie Co., Ltd., of Glasgow, Scotland, for the manufacture of wire cloth for use in paper mills, and also dryer felt for paper machines. They expect to employ from 30 to 40 men to commence with, and increase the number as business develops.

CANADA TAKING LEAD AS SPRING WHEAT PRODUCER

The Acreage Since 1910 Compared With The States

THE PRICE THIS YEAR

Feeling That Speculators May Go too far in Discontinuing Future and That There Will be a Recovery

From Our Own Correspondent

OTTAWA.—The information here is that reports that have been going the rounds to the effect that Russia will have 5,000,000 tons of wheat in the form of an exportable surplus this year, are based on reports made by officials of the American Relief Administration in that country. They do not say, however, that all this will be available for export, but they do think that 2,500,000 tons may be. As far as can be learned the International Institute of Agriculture, which is the most reliable authority of this kind, has not issued figures on the probable Russian crop.

Over in the United States, where the sudden drop in wheat prices has created a kind of panic in some quarters, a reaction in opinion is setting in, and as high an authority as Eugene Myer of the War Finance Corporation, thinks that pessimistic opinion on prices has gone too far. He points out that last year a similar slump took place, which was followed by an equally marked advance. It is possible, however, that the strike in the United States, which made it impossible to move a large portion of the crop for months after it was ready, may have been very largely reponsible for the advance in the United States. Mr. Myer, however, is not quite as well informed on this year's crop in Canada as he should be, for he bases his conclusions on the assumption that last year's crop in this country was larger than this year's will probably be.

Canada in Spring Wheat

It will be interesting to watch the success of the efforts of both Canada and the United States to market their exportable surplus of wheat. That Canada has the advantage, and in so far as the world market is concerned, will gradually force out the United States, that is in the matter of spring wheat, is indicated by the following figures for acreage covering the last 14 years:

	Canada Acres		Un. States Acres
1910	7,888,000	1910	16,751,000
1911	9,940,000	1911	17,200,000
1912	10,026,000	1912	15,990,000
1913	10,045,000	1913	15,335,000
1914	9,321,000	1914	14,695,000
1915	14,078,000	1915	17,660,000
1916	14,551,000	1916	16,000,000
1917	14,030,000	1917	15,753,000
1918	16,937,000	1918	17,396,000
1919	18,453,000	1919	20,408,000
1920	17,418,000	1920	17,513,000
1921	22,540,000	1921	16,551,000
1922	21,530,000	1922	16,367,000

It is understood that the American spring wheat acreage this year is under that of 1922, but in the case of Canada the decrease has not been more than one per cent.

Canada's Acreage Grows

From the foregoing figures it will be seen that the wheat acreage in the United States last year was about 400,000 acres less than it was in 1910. On the other hand in Canada it had increased from 7,888,000 to 21,530,000 acres.

In the matter of the yield per acre Canada also has a decided advantage. During the 1917-22 period in the United States the average yield dropped to as low as 6.8 bushels in 1919, the highest being 15.9 in 1918. In Canada, however, the lowest average yield was 9.5 bushels in 1919, and 17.75 in 1922. Add to this the much higher taxation on the much higher priced lands in the Republic and one has a combination of forces that is working strongly in Canada's favor.

Trades Union Leader In Support of Lewis

OTTAWA.—"The miners of Nova Scotia," says Tom Moore, president of the Trades and Labor Congress of Canada, "will do well to remain loyal to their international union by giving their full support to the new provincial president, Silby Barrett, and thus frustrate the efforts of J. B. MacLachlan and his colleagues to develop the solidarity of their organization."

Satisfactory Conditions In Eastern Provinces

In addition to confirming the general reports of splendid crop conditions in the western provinces, the crop bulletin of the Bank of Montreal gives a review of the situation in other parts of Canada:

QUEBEC—Grain is improving and an average crop is expected. Corn is doing better. Hay, generally, will be good average. Root crops are going well and a good yield is being looked for.

ONTARIO—Crop conditions throughout the Province continue favourable. A good all-round crop is expected with some sections above the average. Hay is a big crop. All grain crops promise well. Root crops are making a good showing. Pasture is excellent condition. Fruit prospects are good.

MARITIMES—Good hay crop expected in Nova Scotia and Prince Edward Island. Pastures in good condition. The present apple estimates exceed two million barrels in Annapolis Valley.

BRITISH COLUMBIA—Field crops and tree fruits are in promising condition with weather favourable. Grain is doing well. Roots have benefited by rains, but potatoes near Ashcroft may be below average.

Pulpwood Embargo a Possible Weapon

OTTAWA.—Representations have been made that the embargo may be used as a lever to obtain improvements in the U. S. tariff against book-paper. Exports to U. S. of this paper are practically nothing, and to put book-paper for periodicals on the same level as newsprint would cause great development in this branch of the industry. Book mills in Canada today are practically all owned by American capital, and this may help the campaign in favor of book-paper.

HEAVY EXPORT OF HARDWOOD LOGS TO UNITED STATES

Ontario's New Minister of Lands and Forests Favors Embargo

The next embargo proposal that promises to come to the front is one on hardwood logs. Already the matter is receiving serious discussion and consideration at Sault Ste. Marie. Hon. James Lyons, Ontario's new minister of lands and forests, in answer to an enquiry from THE FINANCIAL POST, stated that the opinion at the Soo is that if the export of hardwood logs was prohibited the north country and the province in general would benefit.

It is pointed out that the supply of hardwood in the United States is practically depleted. In the district of Algoma alone, in Northern Ontario, 200 townships around The Soo contain an estimated total of six billion feet of choice hardwood. Northern Ontario has been using little of this hardwood in manufacturing, considering it only fit for firewood. On the other hand, U. S. manufacturers state that Northern Ontario birch is the best on the continent for veneer, furniture, etc., and during the last couple of years have been securing control of large tracts. One contract cited calls for 50,000,000 feet of hardwood logs to be renewed for an equal amount on completion. Another calls for the taking out of 10,000,000 feet of logs per year for a number of years.

As with some of the pulp and paper concerns, the logs are being exported in preference to the establishing of a mill in Ontario. The contention made by Hon. Mr. Lyon, who until recently was president of The Soo Board of Trade, is that the milling of these logs in the U. S. is giving employment to thousands of men in the United States that should be getting employment in Ontario. The resources of the province are being depreciated without getting any return, as all that is left on the land after they are through is brush. This, in many cases, causes a danger when it is burned and forces the province to pay fire rangers to guard it that it might not destroy adjoining limits.

VALUABLE PEAT FUEL PLANT STANDS IDLE

Not a Pound of Fuel has Been Made at Alfred This Year

Unless private capital is immediately forthcoming, Canada's peat fuel experiments, costing around $300,000, will be a loss. The large plant erected at Alfred to make the experiments stands idle, not a pound of fuel has been turned out this year. The Canadian Mining Journal, which in its coming issue will point out the seriousness of the situation, says:

"The engineers directly concerned are satisfied that they have developed a commercially feasible process, and the officers of the Departments of Mines in Toronto and Ottawa are likewise convinced that cheap peat fuel is now available, if we will take the pains to make it. The general public are still, however, almost completely unaware of the truth about the present situation of peat fuel manufacture, and investors still look upon the demonstrated facts and figures as 'too good to be true.'"

Last summer 5,000 tons of fuel were turned out, and the Mining Journal says the present inactivity is due to inexcusable blunders and lays the blame on some members of the late Ontario government, but does not point out how they are responsible.

The Journal says that the idle plant can be had for the asking by anyone with means and a bona-fide intention to operate it. Its authority for this is a recent order-in-council passed at Ottawa, and goes on to say:

"It is worth $50,000 as it stands, and a moderate sum will change it from the cumbersome steam-driven mechanism it is at present, to the electrically-driven plant the Peat Committee recommend for commercial operation. This plant cannot be moved economically to a bog in Quebec, where it would earn a bounty. If it is to be operated during the season of 1924, active steps must be taken before the snow flies to get it ready."

The concluding statement is that if private capital fails the new Ontario government must step in and fill the breach.

Big Total for Sales of the Chain Stores

Combined sales of the four leading so-called five and ten cent store systems—F. W. Woolworth Co., S. S. Kresge Co., S. H. Kress & Co. and McCrory Stores Corp.—for June were $25,784,025. This is the highest monthly figure ever reported, with the exception of last March when the Easter shopping season swelled the total to the unprecedented figure of $27,158,444.

Raw Materials a Political Factor

Raw materials are coming to play an important role in politics. THE COUNTRIES WHICH HAPPEN TO POSSESS THE BEST SOURCES OF VALUABLE ORES, OIL, RUBBER AND OTHER NATURAL PRODUCTS ARE IN A POSITION TO TAX THE REST OF THE WORLD, THROUGH EXPORT DUTIES OR THROUGH GOVERNMENT MONOPOLIES. Brazil has done this with coffee and Chile with saltpeter. We have recently had a scare over rubber, and are gravely concerned about the future of our petroleum industry when our own wells run dry. International politics, in the new era, is likely to be profoundly affected by this question of raw materials. In our own country interstate politics may also be affected. Pennsylvania has a monopoly of anthracite coal and levies a tax on mining it. Minnesota has a law taxing the mining of ore. which has recently been held valid by the Supreme Court. California and Florida may some day levy taxes upon consumers of citrus fruits throughout the country; the Southern states upon consumers of cotton." Fortunately such taxes are usually not practicable. So far as they are employed, they work toward breaking down the economic unity of the nation.—The New Republic.

Canadians who are advocating export taxes on pulp, electric power, and other natural resources of the Dominion, are following a trail already blazed by other countries.

Let Us Be Fair to Ourselves On the Pulpwood Question

Canada should not capitulate to the "Committee on the Perpetuation of the Paper Industry in the United States." The demand of these American paper manufacturers that the United States should set forth retaliatory measures to be invoked if Canada puts an embargo on shipments of pulpwood from this country and that such an embargo should be considered officially by the United States government as an "unfriendly act" should not deter the Canadian Government from proceeding to action.

Canada aims to monopolize the paper making industry of the North American continent, the American paper men charge. But why not? If Canada has the only remaining large areas of pulpwood and if Canada has the only large quantities of strategically located water powers why should this nation not benefit from these facts? As was pointed out in these columns last week it is not a question of putting American manufacturers out of business; it is a question of forcing them by fair means to manufacture in Canada rather than to strip bare the virgin resources of Canada to feed mills across the line that employ American workmen and purchase American machinery and supplies.

Threats of retaliation should not be heeded seriously. The threat of retaliation through the tariff laws is grimly humorous. With Canadian farmers in many cases in distress because their natural market in the United States has been ruthlessly cut off by high tariff walls, despite all protests, there is no need for Canada to abjectly yield because of tariff threats. The good sense of American statesmen will make them see this for themselves.

The fact of the matter is that Canada is in just as good a position as the United States to take a firm stand on this matter. The United States needs not only Canadian pulpwood, pulp or paper, but it needs Canadian water power, and a large part of the United States thinks that eventually that country will need access to the seas through the Canadian St. Lawrence River. In these three things—pulpwood, water power and St. Lawrence navigation—Canada has the upper hand. In coal alone among natural commodities has the United States the upper hand and we have it on the authority of a high government official at Washington that the United States will not easily give up the Canadian market for its coal. In mutual tariff arrangements the United States has the upper hand to-day and has shown no disposition to talk things over reasonably with Canada.

We do not have to quarrel with the United States on this matter nor is their any need for international bad feeling. Canada merely has to take a strong stand and do what is best in the national interests. And in doing so Canada will not inflict the "calamity" on the United States that the propagandists for the big paper mills across the border are trying to make out.

In all the discussion on the subject to date one vital point has been overlooked; that Canada can go much further than cutting off the export of pulpwood. This country could cut off the export of groundwood pulp and other intermediate products of our forests as well and thus insure that every tree that is cut down for the chippers and digesters is turned into the finished roll of paper in this country. True, a few Canadian pulp mills that have not paper units attached would be affected but if sufficient notice were given of such action it would not curtail their operations or profits because the first result of such promised action would be the further establishment of paper mills in Canada on such a scale as to utilize the entire Canadian pulp production in paper mills right here in Canada. The time may not be ripe for such drastic action but in the opinion of many it is bound to come. And Canada is in a position to do it when the day arrives.

Let us not make an international fight of this but do let us consider Canadian interests for once.

GROSS EARNINGS ARE NET PROFIT TO HYDRO STORE

No Allowance for Rent, Heat or Even Office Expense

When the place and time is reached that the gross profit in business will be the net profit, that place will be the Utopia of all hardwaremen.

The hardwareman's competitor in the sale of electrical appliances, namely, the Hydro-Electric Power Commission retail stores, have already reached that stage, not along the thorny paths of stiff business competition, but along the short-cut, primrose lined paths of government subsidization. This is not arguing against the principle of public ownership, but against the principle of publicly owned utilities taking advantage of their position to carry on unfair competition with the very business interests which must pay in taxes, deficits which result from any unbusinesslike conduct on their part.

One case particularly in mind which bears out this conditiion is that of the local hydro retail store in St. Marys, Ontario.

From a well informed local source in that town, Hardware and Metal has secured the information that the St. Marys Hydro retail store figure their trading account in somewhat the following manner:

Goods on hand (estimated)	$3,000	
Purchases (estimated)	6,000	$9,000
Sales (estimated) ...	7,500	
Inventory	2,500	10,000
Net profit		$1,000

It is understood that this store makes no charge against the merchandising end of the business for rent, heat, light or even office expenses. In other words their gross profit is their net profit.

Hardwaremen do not mind fair business competition. They relish good clean competition. But they have little chance for competition on anything like equal terms under these conditions.

If publicly owned organizations must compete in the sale of merchandise with existing trades, it should at least be done on the basis of proven business policy. But with the splendid service available for the distribution of electrical equipment through established retail channels there is no necessity for the government to go to the expense of operating such costly showrooms and endangering thereby the investment of public funds.

May Sell Control of Hull-Ottawa Power Co.

It is reported that negotiations for the sale of the Hull and Ottawa Power and Manufacturing Company for the sum of four and a half millions are now being carried on, and it is expected that a definite announcement will be made shortly.

Nesbitt, Thomson & Co., of Montreal, are said to be handling the transaction.

The company's property consists of its Chaudiere power plant and a plant now in course of development at Calumet Island up the Ottawa River about sixty miles. The Chaudiere power house is at the north end of the Chaudiere bridge. At the present time there are two 7,500 h.p. turbines installed and working and a third one is now being installed. There is still room for another 7,500 h.p. turbine giving the maximum development of the company at the Chaudiere of 30,000 horse power. The Calumet power is capable of great development, but work on this only started a short time ago.

J. B. Fraser is president of the company, and the secretary is Russell Blackburn. Others interest largely are Sir Henry Egan, Gordon Edwards, and Levi Crannel.

Alliance Assurance Co. Issues Sound Statement

The report of the Alliance Assurance Co. of London, recently made public, indicates a sound expansion. The total income for 1922 was $26,751,788, of which $21,246,642 was from premiums. The total assets are $135,882,389. This consists largely of reserves on insurance in force, life assurance and annuity funds accounting for $93,243,662, and fire insurance for $11,432,960.

The company writes several classes of casualty insurance, not including life, in Canada, and its chief office is at Montreal.

EASY MONEY

An artless young woman stepped into a bank and handed a cheque to the cashier with the request that he should cash it.

"This cheque, madam," he said, "isn't filled in."

"Isn't what?"

"It has your husband's name signed to it, but it does not state how much money you want."

"Well I'll take all there is, please."—The Morning Post.—Wall Street Journal.

NEW OPTIMISM NOW NOTED IN UNITED STATES

Believe That Buying Will be Resumed in the Fall

NO OVER-PRODUCTION

Therefore it is Argued That Depression is Not Due and That Confidence Will Soon Return

BOSTON.—The usual mid-summer lull in trade is accentuated this year by timidity and hesitancy in placing orders, according to the First National Bank of Boston. The country has again become conservative in buying and is pursuing a hand-to-mouth policy. In many ways this is beneficial. Following the rise in costs and increased activity in business which culminated last March, great concern was expressed on all sides that the tendency toward inflation must be checked or runaway markets and disaster would speedily follow. Overproduction was freely predicted. During the three spring months, especially in June, a wave of extreme caution ran from coast to coast. Buying orders subsided. The movement is not confined to this country, the British price levels having shown similar declines. In some lines, as oils and leather, supply outran demand. In general, however, there has been no overproduction, inventories are not swollen, stocks are low and retail trade is and has been for two or three years very good. So great, nevertheless, has been the fear of a general drastic decline in prices and business, that raw material dealers, jobbers, middlemen and retailers have done their utmost to limit their stocks to the lowest possible point. Yet orders, even if small individually, are insistent and continually repeated to meet the demands of the consumer.

It seems quite clear that the recession in business applies almost entirely to orders. The activity of trade and volume of production is undoubtedly very great, as witness the car loading figures, which for the whole month of June exceeded a million cars a week. In New England, strikes in the shoe industry have hampered production, and there is a more or less general curtailment in cotton mills, although Southern mills in many cases are running nights. In cotton textiles, orders have decreased markedly, although stocks are admittedly low. The mills are unwilling, with such a wide divergence of opinion as to the future price of cotton, to pile up unsold goods. The general feeling in the trade, however, is optimistic for a good season this fall. In fact, a scramble for goods is quite possible.

Gradually, a more optimistic attitude of mind is becoming apparent. Bankers, generally, are commenting on the industrial situation as sound and wholly unlike that prevailing in 1920. The heavy inventories, top prices and strained credit conditions of that year are conspicuously lacking at this time. The problem resolves itself into the question of whether the demand for goods and new construction is sufficiently insistent to carry good business into next year. Many competent observers believe the latter view to be the correct one. In reaching this conclusion, great weight is placed on the demand for new construction which directly and indirectly furnishes employment to so large a percentage of our wage-earners. Activity or stagnation in building spells, as a rule, good or bad business. Studies of the requirements for new construction, including dwellings, industrial plants and transportation equipment, indicate that several more years will be required—even at this volume and price levels—to fill the void caused by the war.

Looking to Future

NEW YORK.—Many people take a very hopeful view of the business situation, according to J. S. Bache & Co. Some of these believe that the decline in activity, which has already taken place, is about all that the break in the stock market predicted and that business will begin to resume its former activity immediately.

Other observers think that actual construction work will go on, at least through the present year, at about the capacity of the industry, and that employment in the principal industries will be maintained about as at present, entailing a resumption of buying and good fall trade. Even those who weigh the fact that the prosperity we have been having is unbalanced, and that the clerical classes, and especially the agricultural people, have not participated in it, think that the surprising activity already evidenced gives substantial promise of profitable trade and a full employment of labor through the remainder of the year. They call attention to the fact that there are few signs of excessive commitments for goods, few heavy stocks, and that there is efficiency in the conduct of business—that business men are saner than during the early part of spring when there were signs of a runaway demand for goods at rising prices and when there were some indications of entrance upon a speculative and dangerous era in the trade boom.

TWO SESSIONS OF STANDARD

The Standard Stock and Mining Exchange, Toronto, will abandon the present continuous session and revert to the old hours, which permitted of an adjournment at noon. The hours of the board will be from 10 a.m. till 12.30 p.m. for the morning session, and from 1.30 p.m. to 3 p.m. for the afternoon session.

Brazilian Traction Light and Power Company Limited
(Incorporated under the Laws of Canada)

NOTICE IS HEREBY GIVEN that the Board of Directors of this Company has declared a quarterly dividend of one per cent. on the issued Ordinary Capital Stock of the Company, payable on 1st September, 1923, to all shareholders of record on the registers at the close of business on the 31st July, 1923.

Dated at Toronto, Canada, 14th July, 1923.

J. M. SMITH, Secretary.

Note:—The Transfer Agents of the Company are National Trust Company, Limited, Toronto and Montreal, Canada.

The London Agents of the Company are the Canadian and General Finance Company, Limited, 3 London Wall Buildings, London, E.C. 2.

DIVIDEND NOTICE

The Canadian Converters' Company, Limited

NOTICE is hereby given that a Dividend of one and three-quarters (1¾%) per cent. has been declared on the Capital Stock of this Company, for the quarter ending 31st July, 1923, payable 15th August, 1923, to Shareholders of record at the close of business, 31st July, 1923.

By Order of the Board.

THOMAS M. BARRINGTON, Secretary-Treasurer.

Montreal, 13th July, 1923.

WEST WILL USE PRESSURE TO GET BRANCH RAILWAYS

Question Promises to Become a Political Issue

From Our Own Correspondent

WINNIPEG.—The West's reaction to the "enormity of the Senate's action in destroying the Canadian National's building program," as the Manitoba Free Press interprets it, may be described as an economic disappointment. "The West must wait for a necessary expenditure which would materially assist in its economic recovery," the burden of the Winnipeg Tribune complaint crystallizes sentiment throughout the prairie provinces. Bitter disappointment exists here because politics has been permitted to interfere with the full functioning of Sir Henry Thornton and the C. N. R. directorate in their direction of the National Railways.

The Western papers see in this "butchering of the branch lines," a drastic deterrent to further colonization. "What appeared to be a promising program of branch line construction has been abandoned," points out the Yorkton Enterprise, explaining, "If carried out this would have meant the difference between success and failure for thousands of settlers, at present so far removed from railway facilities that farming on a profitable scale is impossible and would have done much to settle thousands of acres of idle land, increase production and encourage the development of national resources by which alone Canada can hope to extricate herself from the financial difficulties brought about by war expenditure." To which the Winnipeg Tribune adds: "Settlers must wait for these branch lines. They must continue to haul their grain 20, 40, and even 60 miles. The West must wait for a necessary expenditure which would materially assist in its economic recovery. The Canadian National Railways must wait for productive feeders which would hasten, as nothing else would hasten, the day when the road will be on a self-sustaining basis."

Coupled with the apprehensions that settlement effort will be seriously curtailed, is the West's further contention that actual development of the C. N. R. has been sacrificed. As the Edmonton Bulletin puts it: "It is a great pity where new lines would serve a pressing public need and would improve the position of the whole system that their construction must be postponed." In the opinion of the Regina Leader, "The idea that the Canadian National Railways must be limited forever to planning not more than twelve months ahead is ridiculous. The three-year plan which it worked out was well conceived; and the government could not have split up that program to suit Western Progressives, Conservatives or anyone else, without presuming to dictate to the men whom it has placed in charge of the National system."

Not to Repay War Losses to Insurance Companies

A statement has been issued by Hon. Wm. Pugsley, commissioner appointed by the federal government to investigate war claims, giving it as his opinion that the life insurance companies cannot secure compensation under the Treaty of Versailles for extra losses incurred as a result of the war. He bases his belief upon the argument that the losses of insurance companies and impairment of their reserves through deaths of soldiers carrying policies cannot be considered a direct loss to the companies.

These claims, if allowed, would run into millions of dollars. The commissioner also believes that claims for war-risk insurance premiums must be excluded. In this connection he states:

"In my opinion these premiums were paid as a measure of precaution to insure indemnity against danger consequent upon the war, and do not come within the provisions of annex 1."